PARLIAMENTARY DEBATES

(HANSARD)

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HOUSE OF COMMONS

OFFICIAL REPORT

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OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2012

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 529**

TWENTIETH VOLUME OF SESSION 2010-2012

House of Commons

Tuesday 7 June 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

NHS Financial Performance

2. **Nigel Adams** (Selby and Ainsty) (Con): What assessment he has made of the financial performance of the NHS in 2010-11; and if he will make a statement. [57812]

The Secretary of State for Health (Mr Andrew Lansley): Financial performance in the NHS in the last year has been strong. As at quarter three of financial year 2010-11, the strategic health authorities and primary care trusts were forecasting an overall surplus of £1,269 million, and the NHS trust sector was forecasting an overall surplus of £132 million. I expect the 2010-11 final year-end surplus to be no less than this forecast, representing about 1% of the budget, broadly in line with plans.

Nigel Adams: I am grateful to the Secretary of State for his response. My constituents will be pleased that the NHS performed on a sound financial basis nationally. What increases will the NHS receive in my local area of north Yorkshire in 2011-12, and can my right hon. Friend confirm that those increases are the result of the Government's decision to protect the NHS?

Mr Lansley: In 2011-12, NorthYorkshire and York primary care trust will receive £1,207.3 million. That represents a cash increase over last year of £34.7 million, or 3%. That exactly represents our coalition Government's commitment to protect the NHS and to increase its budget in real terms, and it is in stark contrast to what we were told we should do by the Labour party and what the Labour Government in Wales have done, which is to impose a 5% real cut in NHS spending in Wales.

David Miliband (South Shields) (Lab): Can the Secretary of State confirm my figures that over £20 million has been spent in the north-east of England sacking PCT staff, that that money has come from funds previously earmarked for hospitals, and that there will be at least as many commissioning groups under his arrangements as there are currently PCTs employing managers in those roles? Does not that show that his plans are lunacy not reform, and that they should be taken away and put in the dustbin, not given a simple pause?

Mr Lansley: I can tell the right hon. Gentleman that in contrast to the last Labour Government it is our intention to increase the front-line staffing of the NHS relative to the staffing of the administration in the NHS. That is why, since the general election, there are 3,800 fewer managers in the NHS and 2,500 more doctors.

Mr Stephen Dorrell (Charnwood) (Con): Can my right hon. Friend confirm that it is a key priority of the Government to reverse a decade of declining productivity in the health service in order to ensure that the resources that are committed by the Government deliver improved access and improved quality of patient care?

Mr Lansley: Yes, I can. My right hon. Friend is absolutely right about that. Over the last year in hospitals in particular we saw what was approaching a 15% reduction

in productivity. That is why we are proceeding with ensuring that across the NHS we recognise not only that there are increasing demands on the NHS, which is why we are increasing the NHS budget by £11.5 billion over four years, but that that money must be used increasingly effectively to deliver efficiency savings in excess of 4% each year so that we can improve the quality of services for patients.

John Healey (Wentworth and Dearne) (Lab): The Secretary of State spoke in glowing terms of the last year, but the last year has been a catalogue of confusion, incompetence and broken promises. So will he now accept that the Government's massive mishandled NHS reorganisation is piling extra pressure on NHS services, with nearly £2 billion promised for patient care being wasted on the internal changes? Will he admit that it is patients who will suffer as front-line NHS staff lose their jobs, treatments are cut back and waiting times start to rise again under the Tories?

Mr Lansley: The right hon. Gentleman asked about performance last year. I told him what the financial performance was. Let me also make it clear that, for example, for hospital in-patients, referral to treatment waiting time has gone down from 8.4 weeks in May 2010 to 7.9 weeks in the latest figures in March, and for out-patients the figure has gone down from 4.3 weeks in May 2010 to 3.7 weeks in the latest figures, so waiting times have improved. We have established the cancer drugs fund, with more than 2,500 patients benefiting from that. We have published and driven down the number of breaches of the single sex accommodation rules: a 77% reduction in those breaches, which Labour never achieved. In the last year we have reduced the number of MRSA infections in hospitals by 22% and C. difficile infections by 15%. I applaud the NHS—

Mr Speaker: Order. I think we have got the thrust of it and are most grateful.

John Healey: The Secretary of State mentioned a lot of things, but I notice that he did not mention the Prime Minister's five new guarantees. *[Interruption.]* The Secretary of State shakes his head as if they do not matter, but perhaps he was not consulted on them. People have seen the Prime Minister make and then break promises on the NHS before, but this time he is breaking his pledges as he is making them. The King's Fund says that waiting times are going up and the Nuffield Trust says that health funding is being cut in real terms. Privatisation, the break-up of integrated care and the removal of national standards at the heart of the health service are exactly what his health Bill is designed to do. Is that not why MORI shows public concern about the NHS rising rapidly and why people are right to conclude that they cannot trust the Tories on the NHS?

Mr Lansley: My right hon. Friend the Prime Minister has made it very clear that we will not let waiting times rise and that we will improve performance in the NHS right across the board, which was what I was illustrating. I remind the right hon. Gentleman again that waiting times in hospitals are down from 8.4 weeks to 7.9 weeks for in-patients and from 4.3 weeks to 3.7 weeks for out-patients. That is what we are committed to. Chris Ham of the Kings Fund was on the "Today" programme this morning and said on waiting times, "There hasn't been a great deal of change since the election." What has changed since the election is that we are improving performance, driving down the number of breaches of the single-sex rules, increasing access to dentistry, cutting the number of managers and increasing the number of doctors. Those are the things we are doing in the NHS, and it is to the benefit of patients that we do.

Integrated Cancer Services

3. **Mr John Baron** (Basildon and Billericay) (Con): What steps he is taking to enable GP consortia to commission integrated cancer services. [57813]

The Minister of State, Department of Health (Paul Burstow): "Improving Outcomes: A Strategy for Cancer" set out our plans to support GP consortia to commission high-quality cancer services that deliver improved outcomes. The strategy confirmed the importance of cancer networks and we have recently confirmed that the NHS commissioning board will continue to support strengthened cancer networks.

Mr Baron: I thank the Minister and the Secretary of State for extending the guaranteed funding for cancer networks to 2013 and their commitment to support them thereafter, because the cancer networks' expertise will be much valued by consortia. How will the authorisation process for GP consortia ensure effective commissioning of those cancer services that span consortia boundaries, such as radiotherapy?

Paul Burstow: What we are doing at the moment with the pause is making sure that we revise the proposals in ways that ensure that we deliver the outcomes set out in the White Paper last year. One of the things we said in the White Paper, and which the Bill currently provides for, is that GP commissioning consortia can collaborate where they need to commission for larger populations.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): On GP commissioning consortia, one of the concerns that the Minister will have heard during his pause is the public's concern about the possible role of the private sector in GP commissioning. Although we all agree that the private sector has always had, and will always have, a role in the NHS, does the Southern Cross Healthcare disaster not show the dangers of leaving health and social care to the short-term decisions of private equity bosses?

Paul Burstow *rose—*

Mr Speaker: Order. The Minister will want to focus on GP commissioning of integrated cancer services.

Paul Burstow: I am grateful for that advice, Mr Speaker. The hon. Lady's remark was one that she might have made from the Back Benches when the Labour party was in power, but which it never listened to when in government. On GP commissioning consortia, we believe that it is important that consortia have access to the right expertise to be able to commission effectively both clinicians from other parts of the health economy and other expertise from the voluntary sector. That should be possible and we think that it is how we can improve commissioning in the NHS.

David Tredinnick (Bosworth) (Con): Will commissioners be able to approach specialist integrated cancer services, such as the Penny Brohn cancer clinic in Bristol, and will that clinic and others be represented on health and wellbeing boards in future?

Paul Burstow: The membership of health and wellbeing boards will be a matter for the local authorities that will set them up. The Bill provides de minimis provisions for involving local councillors, representatives from commissioning consortia, public health directors, social services and children's services, but I am sure that many of the pilots that are currently going on across the country are looking at innovative ways of involving others as well.

Southern Cross Healthcare

4. **Alex Cunningham** (Stockton North) (Lab): What steps he is considering in relation to Southern Cross Healthcare; and if he will make a statement. [57815]

5. **Nick Smith** (Blaenau Gwent) (Lab): What steps he is considering in relation to Southern Cross Healthcare; and if he will make a statement. [57816]

8. **Sheila Gilmore** (Edinburgh East) (Lab): What steps he is considering in relation to Southern Cross Healthcare; and if he will make a statement. [57819]

The Minister of State, Department of Health (Paul Burstow): Southern Cross has plans in place to restructure its business and is keeping the Government updated on progress. We will continue to keep in close touch with the situation and work with local authorities, the Care Quality Commission and others to ensure that there is an effective response which delivers to everyone the protection that we should want for all in those residential homes.

Alex Cunningham: I am grateful for that answer, but Southern Cross will not win any medals for managing its self-made crisis or for the anxiety caused to thousands of residents and their families, including 200 in five homes in my constituency. If organisations such as Southern Cross fail to get the investment that they need and end up going bust, will the Government guarantee those older people that decisive Government action will be taken to safeguard them in the places that they now call home?

Paul Burstow: Let me make it absolutely clear to the hon. Gentleman and to hon. Members on both sides of the House who have legitimate concerns about the welfare of residents in those homes: that is the Government's paramount concern, and we will ensure that every step necessary is taken to safeguard those interests. The responsibility for providing care rests with local authorities, and that is why we as a Government have been working so closely with the Local Government Association and the Association of Directors of Adult Social Services to ensure that such arrangements are in place in the event of any need. The key thing at the moment, however, is to ensure that the company continues to restructure and continues to be in business.

Nick Smith: Uncertainty about Southern Cross is troubling for the 74 residents of the two homes in Blaenau Gwent, and I commend my local authority on contacting their relatives to explain that it is monitoring the situation. If Southern Cross cuts its running costs, what measures will the Government put in place to ensure that the standards of care are closely monitored? Will the Government investigate the financial management of the company, described by my constituent Mr Hooper, whose mam is a Southern Cross resident, as

"greedy chancers who gamble with crazy business plans"?

Paul Burstow: The Government continue to maintain very close contact with the devolved Administrations on those issues to ensure that we co-ordinate in that way, and the hon. Gentleman is right that we need to make sure that the standards of care provided in all those homes are maintained. That is a role that the CQC has been discharging and will continue to discharge.

Sheila Gilmore: Housing associations have regulatory control over financial management and viability in order to protect tenants' homes. Will the Minister consider putting in place a similar regime to protect the homes of care home residents?

Paul Burstow: Within the current legal framework established in the Health and Social Care Act 2008, there are requirements on financial viability, but we will undoubtedly want to look at those issues when we come to publish a White Paper on social care reform later this year.

John Pugh (Southport) (LD): Does the Minister agree that to avoid similar issues we need to build consensus throughout the House on the future of social care—and its financial governance?

Paul Burstow: I could simply say yes to my hon. Friend, but I agree entirely, and that is why last year we acted quickly to establish an independent commission, led by Andrew Dilnot, to undertake a review of how we fund social care. His report will be coming forward shortly, and I would certainly welcome all necessary discussions to ensure that we deliver effective reform.

Margot James (Stourbridge) (Con): We have six homes in Dudley borough managed and owned by Southern Cross, and I am pleased to hear the Minister's assurance that he will work with local authorities to ensure that no resident is left in need. Questions must be asked, however, about the conduct of the former directors of Southern Cross, and about how they acted in terms of the duty of care to their company and to residents. Will my hon. Friend consider investigating the conduct of those former directors should the company's situation worsen?

Paul Burstow: Those matters would more appropriately be dealt with by colleagues in the Department for Business, Innovation and Skills, but those points are fairly made by my hon. Friend. As a Government, we continue to maintain close dialogue with the company, the landlords and all other interested parties to make clear to them their responsibilities to secure the ongoing care of the individuals in those homes.

Mr David Ward (Bradford East) (LD): I welcome the Minister's response to the issue, which I acknowledge is the responsibility of local authorities, but they face many other difficulties, not only with nursing care but with residential care and the increased demand for it. What effective support will there be, other than additional words of support?

Paul Burstow: I am grateful to my hon. Friend for that question. Over many months, we have been in discussions with colleagues at the Local Government Association, and the Association of Directors of Adult Social Services recently produced new guidance on maintaining continuity and quality of care for individuals in homes that may be in difficulties. That is the appropriate way for us to proceed. We continue to work with them to ensure that all the necessary arrangements are in place. However, I remain focused, as all Members in this House should be, on ensuring that the company has the best possible opportunity to get itself on a stable footing so that it can continue to provide the care that people want.

Ian Paisley (North Antrim) (DUP): The Minister will be aware that 25 care homes in Northern Ireland operate under the Southern Cross banner. What is he going to do to ensure that there is a consistent approach across the entirety of the United Kingdom? Will he have discussions with the Health Minister in Northern Ireland and other concerned parties to ensure that patients and residents in those homes are treated equitably and fairly?

Paul Burstow: The hon. Gentleman makes a fair point that relates to the earlier question where I indicated that we are in constant contact with the devolved Administrations and will continue to have that dialogue—if necessary, at ministerial level.

Emily Thornberry (Islington South and Finsbury) (Lab): Although we welcome the Government's statement today that whatever the outcome of the restructuring of Southern Cross, they will not allow anyone to find themselves homeless, may I cast the Minister's mind back to a week ago? Where was he? Why was he not visiting Southern Cross homes and speaking to residents, families and carers, as I was? Does he not now regret hiding in his bunker and allowing No. 10 to attempt to answer the questions that were put to the Government on behalf of these very vulnerable people?

Paul Burstow: I was about to say that I was grateful to the hon. Lady for the question, but clearly I am not. I have been following this as a Minister throughout, and I continue to follow it closely and to give the necessary instructions to officials to secure the future and the fate of the residents in these care homes. We have to be cautious and careful about the language we use on this particular endeavour. That is what I am doing, and I would urge the hon. Lady to do the same.

Emily Thornberry: The Minister can be assured that I am careful in the language that I use, and the words that I wish to use are these: does he agree that it is simply wrong that financiers and some of Southern Cross's previous directors have creamed off millions of pounds while putting at risk the care of 31,000 elderly people who seem to have been used merely as commodities? Now that this has come to light, will the Government look urgently at whether regulation should be extended to ensure the financial stability of organisations that we entrust with the care of our most vulnerable?

Paul Burstow: That question has already been asked, and I have already indicated the approach that we intend to take with regard to the White Paper. I also point out that the establishment of the business model that Southern Cross operates of separating out provision from the ownership of the homes took place not under this Government's watch but under her Government's watch.

Patient Outcomes

6. **Chris Heaton-Harris** (Daventry) (Con): What assessment he has made of trends in outcomes for NHS patients since May 2010. [57817]

The Secretary of State for Health (Mr Andrew Lansley): I am determined to focus on the results that matter most to patients. For example, in the year ending March 2011, the number of MRSA bloodstream infections decreased by 22% and C. difficile infections decreased by 15% on the year before. These are key outcomes in the drive to protect patients from avoidable harm. We also want to see continuous improvements in patients' experience of their care. For example, between December last year and April this year, we took action on breaches of the single sex accommodation rules, and the number of breaches reduced by 77%. The NHS outcomes framework will drive up quality across services as well as providing evidence of the overall progress of the NHS.

Chris Heaton-Harris: I thank the Secretary of State for his answer. He has rightly identified patient experience as a key outcome that has improved over the past year. Given that tens of millions of patients every year experience accident and emergency as their first point of contact with the NHS, what steps has he taken to improve the quality of care that patients receive in A and E wards?

Mr Lansley: In the past, the only measure of activity and performance in A and E departments was whether patients had been discharged from the department within four hours. That meant, for example, that the emergency department at Stafford hospital was able to tick the box marked "Four-hour target met" in circumstances where patients were discharged completely inappropriately and patients suffered and died. We have now published, for the first time, quality indicators agreed with clinical professionals across emergency services that indicate what A and E quality should look like regarding not only time waited but the time before patients are seen by a qualified professional, re-attendance rates for the same problems, and mortality and related outcomes.

Mr Ben Bradshaw (Exeter) (Lab): The Secretary of State is using a highly selective reading of waiting times. Will he confirm that breaches of the four hour target for A and E waits and the 18 week target for operations have increased massively in the past year? If they have not, why did the Prime Minister today confirm his support for those Labour targets?

Mr Lansley: The Prime Minister made it clear that we will focus on outcomes for patients, not just on individual targets. In 2010-11, the financial year that has just ended, only 2.6% of people who attended at A and E waited for more than four hours, despite an additional 870,000 people attending A and E departments.

Speech Therapy Services

7. **Mr Gary Streeter** (South West Devon) (Con): What plans he has for access to NHS speech therapy services for children. [57818]

The Parliamentary Under-Secretary of State for Health (Anne Milton): As my hon. Friend knows, speech and language therapy services are critical for children and young people who need help to develop their speech, language and communication skills, and who have conditions such as swallowing difficulties. We have published a Green Paper on special educational needs and disability, which includes proposals to develop a new co-ordinated assessment for education, health and care plans by 2014 and for the option of a personal budget for all families with such plans. That will offer families more choice and ensure that children get the support that they need.

Mr Streeter: Does my hon. Friend agree that when a child needs to access speech therapy, often it is to unlock vital early years education and is therefore time critical? The west country has known waiting times of three, six or even nine months. Will she assure me that the coalition Government can do better than that?

Anne Milton: We most certainly can do better than that. I agree with my hon. Friend that such problems are often a barrier, and that therapy can unlock so much more. I refer him to service redesigns that have happened, such as at the Cambridgeshire Community Services NHS Trust, which redesigned its clinical pathways with the result that the number of children waiting longer than 18 weeks from referral to treatment fell from 409 in May 2010 to eight at the end of January 2011. That is a fantastic improvement in the service. This is not all about money, but about the way in which services are designed.

Mr Kevin Barron (Rother Valley) (Lab): The Minister will know that more than 60% of inmates in young offender institutions have speech and communication problems. Can we ensure that the Green Paper addresses this matter not just within the national health service, but in education and wider, so that we can begin to tackle this problem, which has lain dormant in this country for decades?

Anne Milton: The right hon. Gentleman is right that we are not talking just about children. A number of people have languished and failed to achieve their potential, particularly their educational potential, for the lack of speech and language therapies. I take this opportunity to commend the work of Jean Gross, the communication champion, in raising and highlighting these issues.

NHS Blood and Transplant

10. **Annette Brooke** (Mid Dorset and North Poole) (LD): What recent representations he has received on the future of NHS Blood and Transplant; and if he will make a statement. [57821]

The Parliamentary Under-Secretary of State for Health (Anne Milton): Since February 2011, we have received about 60 representations on the future of NHS Blood and Transplant, including from MPs, Unison and the public. Representations continue to come in. I am happy to meet the hon. Lady if she would like. I should make it clear that the current review is not considering the sale of any part of NHSBT.

Annette Brooke: I wonder whether the Minister can give further assurances to address the great concern that voluntary donations of blood and organs might be put at risk if it is perceived that profits are being made in any part of the operation.

Anne Milton: My hon. Friend is right. The altruistic donor system is one of the rocks on which the NHS is built, and we will do nothing to jeopardise public confidence in it. I am alarmed at some of the scare stories that have been circulating. They serve nobody any good, least of all those who need the necessary donations that are made.

Cancer Drugs Fund

11. **Andrew Stephenson** (Pendle) (Con): What recent representations he has received on the operation of the cancer drugs fund. [57822]

16. **Stephen Hammond** (Wimbledon) (Con): What recent assessment he has made of the operation of the cancer drugs fund; and if he will make a statement. [57827]

The Secretary of State for Health (Mr Andrew Lansley): I have received representations from hon. Members, noble Lords and members of the public on how the fund has operated. A number have welcomed the additional support that we are giving to cancer patients in need. More than 2,500 patients have already benefited from the additional funding provided up to the start of April 2011, and the further £600 million that we have committed for next three years will improve the lives of thousands more cancer sufferers.

Andrew Stephenson: Can my right hon. Friend confirm that the cancer drugs fund is helping cancer specialists tailor treatment regimes to patients in areas including my constituency, and helping to provide a more personal and responsive cancer service?

Mr Lansley: Yes, I can reassure my hon. Friend on that point. Indeed, I cannot do better than to quote Mike Hobday, head of policy at Macmillan Cancer Support, who said:

> "The £200 million Cancer Drugs Fund will make sure every cancer patient has a better chance to get the drugs their doctor prescribes for them. This is particularly important for those with a rarer cancer, who have historically lost out on getting drugs on the NHS."

Stephen Hammond: I am sure the whole House will welcome my right hon. Friend's announcement today that 2,500 people have already benefited from the interim cancer drugs fund. Can he give the House some indication of whether people with the more difficult types of cancer will benefit from it?

Mr Lansley: My hon. Friend will be aware that in the run-up to the election and since, the Rarer Cancers Forum has mentioned the number of applications to the exceptional cases panels of primary care trusts that have been turned down, and pointed out how often patients in this country have not got access to new cancer medicines that are regularly available to patients in other European countries. That was the basis on which we estimated the level of demand for the cancer drugs fund, and it has actually turned out to be a very good predictor of demand. Patients are now receiving second-line or new medicines for a range of cancers, including prostate and bowel cancer. People with common cancers as well as rarer ones are getting access to new medicines that are increasing their quality of life or life expectancy.

Liz Kendall (Leicester West) (Lab): Today the Prime Minister pledged to increase NHS funding, protect universal coverage and keep waiting times low, but his promises are already being broken on cancer care. Three quarters of the cancer drugs fund is not additional money, as the Secretary of State claims, but money taken from other patients, and half as many new cancer drugs are available in some parts of the country as in others. Whatever he claims, can he now confirm that the number of patients waiting more than six weeks for their diagnostic test, including for cancer, has doubled since this time last year?

Mr Lansley: The hon. Lady seems to have forgotten that we were very clear at the time of the election that we would establish the cancer drugs fund not least on the basis that under this Government, the NHS would not have to pay the additional employer's national insurance contributions that it otherwise would. The money available for the NHS is being used for the benefit of patients, and it represents additional resources.

I might also remind the hon. Lady that before the election, her party was not committed to protecting the NHS budget. The Leader of the Opposition was completely wrong today when he said that Labour was going to protect NHS spending, as we did. That is not true. Actually, it was committed to only 95% of NHS funding, which was that for the PCTs. It was going to cut the rest, and centrally funded budgets such as the cancer drugs fund are precisely what would have disappeared.

The hon. Lady asked about diagnostic tests. The figures show that a year ago, the average waiting time was 1.7 weeks, whereas the latest figure is 1.8 weeks.

Foundation Trusts

12. **Pat Glass** (North West Durham) (Lab): What recent assessment he has made of the ability of all NHS hospital trusts to become foundation trusts by 2014. [57823]

The Minister of State, Department of Health (Mr Simon Burns): The Department is currently in the process of working with strategic health authorities to establish timetables for every NHS trust to achieve foundation trust status by April 2014, and to agree the actions that are required to achieve that. That work is ongoing, and once plans are finalised, they will be published locally.

Pat Glass: The Minister will have to make some difficult decisions very soon about specialist children's heart provision. In my part of the world, the choice will be between the NHS trusts in Newcastle and Leeds. Can he confirm that those decisions will be based on clinical outcomes, not political expediency?

Mr Burns: I can give the hon. Lady a categorical assurance that they will be based on clinical outcomes, not political considerations. I hope she will accept that it would be inappropriate for me to say anything further at this point in the proceedings, because we are in the middle of a consultation process at arm's length from Ministers.

Mr Stewart Jackson (Peterborough) (Con): Over the past 12 months, the Peterborough and Stamford Hospitals Foundation Trust has spent thousands of pounds of public money in connection with a vacant site—the former Peterborough district hospital site— and has yet to take it to market, despite having a £38 million deficit this year. Will my right hon. Friend ask Monitor to ensure that trusts make use of, and dispose of, valuable public assets in a timely way, in the best interests of both the taxpayer and the local health economy?

Mr Burns: I hope that I can reassure my hon. Friend by giving him a straightforward yes in answer to that question.

Paul Goggins (Wythenshawe and Sale East) (Lab): Will the Minister look urgently at what is happening in Trafford? The Trafford Healthcare NHS Trust has decided not to seek foundation status and is looking to transfer its acute services to another local provider. One difficulty with that is the projected funding shortfall of £55 million. Will he take a close interest in that, and seek to resolve the current uncertainty?

Mr Burns: I am grateful to the right hon. Gentleman for that question. I am aware of that situation and of the problems at that hospital. My understanding is that the strategic health authority is working hard with the trust to seek a solution. That work will continue until a viable solution is found.

GP Pathfinder Consortia

13. **Nick de Bois** (Enfield North) (Con): What recent assessment he has made of progress by GP pathfinder consortia in delivering improvements in NHS services. [57824]

The Secretary of State for Health (Mr Andrew Lansley): We have taken time to pause, to listen and to reflect on our reforms; none the less I am pleased to report that there remain 220 pathfinder consortia, covering nearly 90% of England. In my hon. Friend's constituency, the Enfield consortium group is established and is focusing on quality and productivity improvements to local health care services. I have been greatly encouraged by the initiative that clinicians have taken to improve patient services, and examples are available at the pathfinder learning network, a forum through which we are supporting their development.

Nick de Bois: My right hon. Friend the Secretary of State knows my view on the need to ensure that there is a comprehensive network of commissioning consortia across the whole country by April 2013. Does he share my view that that essential requirement will not only improve patient choice but ensure that we can pass a further £5 billion in savings back into front-line services?

Mr Lansley: Yes, I think my hon. Friend is absolutely right about that. What has been interesting in the listening exercise is the clear expression—on the part of front-line clinicians, general practitioners, doctors, nurses and other health professionals—of a desire to take greater responsibility for commissioning. They are only too aware of a decade of decline in productivity in the NHS, in which administration costs and staffing ballooned while front-line staffing did not increase to anything like the same extent. They want to deliver better clinical services for their patients, and to have the responsibility to do so. We are determined to give that to them.

Breast Screening Programme

14. **Mr Steve Brine** (Winchester) (Con): Whether his Department has considered the merits of introducing a supplemental ultrasound breast screening examination as part of the NHS breast screening programme. [57825]

The Minister of State, Department of Health (Paul Burstow): The answer is no. Mammography is the only screening modality that has been proven to reduce mortality from breast cancer, and is supported and promoted by the World Health Organisation's international agency for research on cancer. Ultrasound screening may be used within the breast screening programme as part of the triple assessment process.

Mr Brine: The Minister will be aware that forms of cancer such as lobular breast cancer are far more difficult to detect with a mammogram than other types of breast cancer. Will he perhaps clarify exactly what guidance his Department issues to primary care trusts on the use of ultrasound screening as part of the triple assessment process? Sadly, in the case of my constituent Lindsay Jackson, mammography failed to detect that form of lobular breast cancer.

Paul Burstow: I am grateful to the hon. Gentleman for his question. The Department does not issue guidance, but the National Institute for Health and Clinical Excellence does. Its guidance on improving outcomes in breast cancer states that mammography and ultrasound imaging should be available in breast clinics as part of the triple assessment of women with suspected breast cancer. In addition, the guidance states that ultrasound is useful in predicting tumour size and in planning surgery, and that it can complement mammography in differentiating malignant and benign disease. That guidance is the key tool used in making such decisions.

Foundation Trusts

15. **Gavin Barwell** (Croydon Central) (Con): What recent progress he has made in establishing foundation trusts in London. [57826]

The Secretary of State for Health (Mr Andrew Lansley): The Department is currently in the process of working with NHS London to establish timetables for each NHS trust and agree the actions required to achieve foundation trust status by April 2014. This work is ongoing; once it is finalised, plans will be published locally.

Gavin Barwell: In 2010-11 Croydon Health Services NHS Trust delivered an operating surplus of £4.5 million. May I commend its FT application to my right hon. Friend in the hope that in future years, that money can be reinvested in local health services in my borough?

Mr Lansley: Yes, I understand and entirely sympathise with my hon. Friend's desire to see Croydon Health Services NHS Trust achieve foundation trust status. He will know that the trust was recently the subject of a responsive review visit by the Care Quality Commission, which revealed areas in which further assurance will be needed ahead of its foundation trust application going forward. He will appreciate, as I do, that in the past foundation trust status did not depend sufficiently on the achievement of high-quality services, rather than merely viable services. We intend that in future, foundation trust status will depend on both.

Mental Health Services

17. **Nicky Morgan** (Loughborough) (Con): What steps he is taking to improve mental health services. [57828]

The Minister of State, Department of Health (Paul Burstow): Mental health is a cross-government priority. Earlier this year we published our mental health outcomes strategy document "No health without mental health", to drive up standards in services and improve the nation's mental health. But this cannot just be a problem for the Government, which is why we are working in partnership with the voluntary sector and the wider community.

Nicky Morgan: I thank the Minister for his reply, and I am pleased to hear about the emphasis on mental health. During the recess, I met members of the Charnwood health forum, including Leicestershire's public health lead for mental health matters. He is concerned that there will be no place for him to advise or work with GP commissioning consortia. Can my hon. Friend reassure him that he will be able to advise GPs?

Paul Burstow: Yes, I believe that I can. Directors of public health will be the local leaders for public health in their communities. For example, local authorities and GP commissioning consortia will be required to undertake joint strategic needs assessments and produce joint health and well-being strategies for their areas, through health and well-being boards. The directors of public health will be directly engaged in that process and will therefore be able to influence the commissioning not only of health care services but of social care. They will be directly involved in the commissioning of public health locally.

Tony Lloyd (Manchester Central) (Lab): The Minister will be aware of the proposal to close the Edale unit in central Manchester and open a different facility in north Manchester. Can he give the House, and the country, a guarantee that if that were to take place,

financial consideration would be given to the total NHS economy and not simply to the mental health trusts, and that there would be clear benefits for mental health patients?

Paul Burstow: The key point that I take from the hon. Gentleman's question is the importance of ensuring that there are clear benefits for those who rely on mental health services. Obviously, I cannot prejudge any decisions that are being made locally, because they may well come to a Minister for a decision in the future. I will, however, undertake to consider further the point that the hon. Gentleman has raised, and if necessary to write to him with more detail.

NHS (Competition and Co-operation)

18. **Lilian Greenwood** (Nottingham South) (Lab): What assessment he has made of the potential role of (a) competition and (b) co-operation and collaboration in the NHS. [57829]

The Minister of State, Department of Health (Mr Simon Burns): Co-operation and competition both have important roles to play in improving services for patients. We want to see better integration of services to improve quality and increase choice for patients. Following the listening exercise, we are awaiting the report on the best way forward.

Lilian Greenwood: The Deputy Prime Minister says that he wants Monitor to promote co-operation and collaboration, while the Secretary of State says that competition can lead to a far greater degree of integration. It is good that the Deputy Prime Minister has finally caught up with the views of the public and health professionals—but which of those fundamentally contradictory views will end up in the Bill?

Mr Burns: First, we all want co-operation and competition based on quality. We have had a listening event, and we are awaiting the recommendations of the forum set up under Professor Steve Field. Until we see that report, we cannot comment. I can tell the hon. Lady, however, that we do not want the kind of system of competition in the health service that leads to an independent sector treatment centre in Nottingham being paid 18% more than the NHS for the services provided, and getting £5.6 million for not doing a single operation.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): Does my right hon. Friend agree that a key focus for improving collaboration in the NHS must be to break down the silo working that occurs between adult social services and the NHS? That will be particularly pertinent in improving elderly care services and mental health care services, and in providing a community focus for that care.

Mr Burns: Yes—and it is always refreshing to get a question from someone who has had experience of working in the NHS and actually knows what he is talking about. My hon. Friend is absolutely right; greater integration of services is crucial if we are to break down the barriers and get improved, high-quality care for all patients.

Kate Green (Stretford and Urmston) (Lab): I was interested to hear the Minister's earlier answer to my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins) about the situation in Trafford. Will he confirm that he will encourage a collaborative approach, involving the strategic health authority, the primary care trust, the existing foundation trust and the potential bidding foundation trust, to secure the best possible clinical and financial outcome for patients?

Mr Burns: Yes, I can tell the hon. Lady that it will be up to the SHA, the trust and officials at the Department—*[Interruption.]* The SHA is the strategic health authority in the north-west. It is for them to work together to produce a tripartite formal agreement—when agreed, it will be published for the local community to see—as the best way forward to seek solutions and to help trusts achieve foundation trust status. It is in their interest and the interest of patients to bring about improved, high-quality patient care.

Mental Health Services

19. **Henry Smith** (Crawley) (Con): What steps he is taking to improve mental health services. [57830]

The Minister of State, Department of Health (Paul Burstow): May I refer the hon. Gentleman to the answer that I gave to the hon. Member for Loughborough (Nicky Morgan)?

Henry Smith: I am grateful for the Minister's answer to that earlier question. Will he explain more fully exactly how services for those with eating disorders can be enhanced, particularly in the Sussex Partnership NHS Foundation Trust area?

Paul Burstow: Yes, the National Institute for Health and Clinical Excellence will update its guidance on eating disorders later this year. The plans already set out in the Health and Social Care Bill mean that eating disorders will be subject to specialised commissioning in future by the NHS Commissioning Board. We believe that, because of the consolidated expertise in matching needs, this will help to drive up standards and enhance quality and consistency across the country. In the hon. Gentleman's own patch, the assessment service run by Sussex Partnership NHS Foundation Trust is certainly an impressive one.

Topical Questions

T1. [57836] **Karl McCartney** (Lincoln) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Andrew Lansley): My responsibility is to lead the NHS in delivering improved health outcomes in England, to lead a public health service that improves the health of the nation and reduces health inequalities, and to lead the reform of adult social care, which supports and protects vulnerable people.

Karl McCartney: I thank the Secretary of State for that answer. Will my right hon. Friend reassure me, and my Lincoln constituents, that whatever the outcome of the Government's consultation, our NHS still requires

some measure of reform—and that if a provider is qualified to deliver NHS standards at NHS costs, and if patients, with the support of their doctor, want to be treated there, this Government should do nothing to stand in their way, regardless of any political posturing by our flip-flopping coalition partners? [HON. MEMBERS: " Ooh!"] And further to—

Mr Speaker: Order. I apologise for having to interrupt the hon. Gentleman, but topical questions must not be statements or essays; they must be very brief questions. I think we have got the thrust of his question, and we are grateful to him.

Mr Lansley: Through the listening exercise and in response to the report of the NHS Future Forum, which we hope to see shortly, we hope to be able further to strengthen the principles of the Bill and its implementation of the White Paper, so that patients can share in decisions about their care and access the services that give them the best quality. That includes, in many instances, patients having access to a choice of providers as well.

T5. [57840] **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): Doctors, nurses and PCT staff in my area tell me that the Government's pausing of the health reforms has had no impact whatever on the ground, and that implementation of the Health and Social Care Bill is proceeding just as it was before. Does the Secretary of State believe that that is wrong—and if not, does it not mean that this whole consultation period is an absolute farce?

Mr Lansley: No, not at all. We were very clear—indeed, I was clear to the House on 4 April when I announced the pause to listen, to reflect on and improve the Bill—that it was specifically related to achieving in the legislation the necessary support for the many changes happening across the NHS. It cannot be right, however, that people across the NHS who are engaging in delivering improved care, redesigning clinical pathways—or designing clinical services to deliver the best outcomes for patients—should be told to stop making those positive changes. They are engaging with those positive changes and we are not preventing them from doing so.

T2. [57837] **Duncan Hames** (Chippenham) (LD): I am wearing neither sandals nor flip-flops, Mr Speaker. Given that local GPs typically charge £500 a day, what action is the Minister taking to ensure that GP consortium board members do not cost the NHS as much as £25,000 each a year for just one day's work a week?

Mr Lansley: Among the intentions that we have made clear from the outset is our intention to reduce the running costs of management in the NHS. We propose to cut administration costs by a third in real terms, including the running costs of the commissioning consortia when they are established. There will be a constantly tight envelope for running costs, which means that whoever is working for a commissioning consortium, it must deliver value for money.

T7. [57842] **Hazel Blears** (Salford and Eccles) (Lab): For the 200,000 people in the country with dementia who are currently in residential care, the recent horrific events at Winterbourne View and the financial problems at Southern Cross have caused huge anxiety. The Minister is now proposing to make local authority safeguarding boards mandatory, at a time of huge cuts in social care budgets. What extra resources will he make available to ensure that the system works and protects the most vulnerable people in our country?

The Minister of State, Department of Health (Paul Burstow): I think that Members throughout the House share the right hon. Lady's concern about the events that were revealed in more detail last week. We will deal with an urgent question on one of the other matters later this afternoon. She also asked about funding for social care. In last year's spending review we not only secured additional resources enabling us to put safeguarding boards on a statutory basis, but ensured that by 2014 an additional £2 billion would go into social services. Much of that will come via the NHS to ensure much closer working between health and social care services, which is an essential prerequisite for the delivery of better outcomes for people with dementia.

T4. [57839] **Harriett Baldwin** (West Worcestershire) (Con): One of my constituents, a vulnerable young adult with complex needs, was recently sectioned under the Mental Health Act 1983, taken from the family home, and placed in Winterbourne View. The mother was very concerned about her child's care there, and contacted me. However, I was told by adult social services that I could not know the details of the case because of data protection. When reviewing the regulations involving vulnerable adults, will the Minister ensure that questions from Members of Parliament about such cases can be answered, so that they can stand up for even their most vulnerable constituents without their express written permission?

Paul Burstow: I am grateful to the hon. Lady for highlighting that issue. I think that Members in all parts of the House experience the same frustration from time to time when they feel that they are unable to discharge their responsibilities on behalf of constituents and obtain the information that they think they need in order to do that job. I will certainly undertake to examine the issue again. Patient confidentiality is complex and we must respect the confidentiality of individual patients, but we should not let that get in the way of ensuring that good-quality care is delivered.

T8. [57843] **Mr John Spellar** (Warley) (Lab): When I asked the Minister about Southern Cross on 2 December, he replied:

"The responsibility for providing or arranging publicly supported residential accommodation under section 21 of the National Assistance Act 1948 rests with councils with adult social services (CASSRs), not the Department.

Any discussions regarding continuing provision for residents of care homes should take place between care providers and CASSRs."—[*Official Report*, 2 December 2010; Vol. 519, c. 1014W.]

Does the Minister now regret that complacent and wholly inadequate reply, which lost vital months in which the crisis could have been dealt with?

Paul Burstow: No, because it was an accurate statement of the legal position, which is what the question required.

Since these issues became a cause for concern many months ago, the Department of Health has been very much engaged with them at both official and ministerial level. We have also ensured that all parties—the local authorities, the Care Quality Commission and others—are clear about their responsibilities. I should have thought that that was what the hon. Gentleman would expect us to do, and it is what we have done. We are ready for any eventuality.

T6. [57841] **Gavin Barwell** (Croydon Central) (Con): Croydon University hospital recently took on responsibility for community care, which will allow much better integration of acute and community services. What scope does my right hon. Friend think exists for wider application of that model in our NHS?

Mr Lansley: As my right hon. Friend the Prime Minister made clear today, we continue to believe that we can achieve more integrated services for patients, and we are determined to do so. That must be at the heart of the way in which reform and modernisation of the NHS deliver improving outcomes for patients. For patients, the results of care, and indeed their experience of it, will be greatly enhanced if it is designed and integrated to meet their needs. We know that that is effective, we know that it works for patients, and we are determined to make it happen. My hon. Friend has given just one example, and an important one, of the way in which hospital and community services can be integrated.

Mrs Mary Glindon (North Tyneside) (Lab): The Prime Minister has stated this afternoon that competition will be an integral part of patient choice. How will the Secretary of State ensure that all patients are able to make a fully informed choice of treatment when market forces fully exist?

Mr Lansley: I do not accept the hon. Lady's premise. We do not intend that there should be an unrestricted market—or a free market, as she described it—in the NHS. It is a regulated, social market with powerful regulations governing how the participants in the provision of care meet their responsibilities. We are very clear that competition is a means to an end. It is not an end in itself; it is there to support the integration and delivery of services in the best interests of patients, but it does include giving patients choice. The hon. Lady highlights an important point. In our consultation earlier this year on the information revolution in the NHS, we set out how we felt we could empower patients, including those for whom in the past the NHS has provided a rather impenetrable route to getting the best treatment. I hope that when we respond to that consultation, we will demonstrate how we will make that better for all patients.

T10. [57845] **Nigel Mills** (Amber Valley) (Con): Does the Minister agree with my constituent Susan Garrity that licensed treatments for multiple sclerosis such as Sativex should be accessible to all people, wherever they live?

Paul Burstow: Certainly I agree that MS patients should have access to clinically effective and cost-effective treatments. The National Institute for Health and Clinical Excellence has not issued any guidance on the use of Sativex, and it is for primary care trusts to make funding decisions based on the available evidence and the individual patients' circumstances. Following consultation, NICE expects to make a decision later in the year on whether to update its clinical guidance on MS, and whether to re-evaluate Sativex as part of that.

Dame Anne Begg (Aberdeen South) (Lab): There are 12 Southern Cross homes in Aberdeen, nine of which are in my constituency. Just in the past month, one of them, Eastleigh in Peterculter, received a damning report from the Scottish care commission. Is it any wonder that relatives of the people in those homes are concerned that the company that runs them is in financial difficulty, and that the quality of the care provided may suffer as a result? Over the past few years I have also been approached by constituents about self-funders facing unfair cost increases in order that their home might be able to overcome its financial difficulties.

Paul Burstow: As I said earlier, the key concern of this Government—and, I think, of all Members—is to ensure the continuity and quality of the care of residents in Southern Cross homes. That has been the purpose of the Government, and of all the other agencies involved, throughout our engagement with Southern Cross. It is also important that the quality inspectorates in both Scotland and England continue to discharge their role of making sure that the essential standards of safety and quality are being maintained.

Jo Swinson (East Dunbartonshire) (LD): As the public health White Paper recognises, building positive self-esteem is important for children's health and well-being. Yesterday, the Bailey review highlighted many parents' concerns that exposure to very sexualised imagery in our visual culture fuels children's anxieties about their bodies and reduces self-esteem. How do the Government plan to tackle that as a growing public health issue?

The Parliamentary Under-Secretary of State for Health (Anne Milton): I thank the hon. Lady for her question. She raises an important point about children's exposure to such imagery from a variety of media sources. It is crucial for the future public health of our country that children get help and support over this and are able to learn the skills they need, and we are determined to get that right. Many of our plans are laid out in the White Paper, and we look forward to seeing them become a reality.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Can the Secretary of State or the Minister confirm whether they will take up the offer from my Front Bench for bipartisan discussions about the future of adult social care—or will he put political interests before the public interest?

Mr Lansley: We were very clear that the commission that we established, led by Andrew Dilnot, should look at the reform of long-term social care funding in such a way as to secure maximum understanding, consensus and agreement. Andrew Dilnot has gone about that process in an exemplary manner, and the right thing for us to do now is await his report, which should then form a basis for taking things forward.

Mr Peter Bone (Wellingborough) (Con): Does the Secretary of State agree that the competition measures in the Health and Social Care Bill will drive up standards and quality outcomes for the NHS?

Mr Lansley: I am sure that my hon. Friend is aware of the evidence—for example, in reports published by the London School of Economics and by Imperial college, London—on this country's experience of the Labour party's implementation of choice in elective care and the impact that had on the quality of services. What is clear from that evidence is that where there was an NHS price—a tariff structure—the more competitive areas of the country secured greater improvements in quality.

Valerie Vaz (Walsall South) (Lab): I thank the Secretary of State for writing to me on 12 May about the listening exercise and its cost, although he could not quantify that. Now that the listening exercise is over, can he say how much the cost to the public purse has been?

Mr Lansley: I will, by all means, write again to the hon. Lady. The cost is not dramatic. Many organisations and people across the NHS have participated, giving freely of their time. Some 8,000 people have participated in the listening exercise events, of which there were more than 250. This has been immensely valuable; its value far exceeds any costs involved.

Pauline Latham (Mid Derbyshire) (Con): A constituent of mine who suffers from bowel cancer has so far failed to be funded for Avastin on the NHS via the east midlands cancer drugs fund. She has already spent more than £40,000 of her own money. Her oncologist has written before on her behalf to appeal, but as not one of his appeals has been successful, for her or for any of his other patients, he is reluctant to write again to appeal for her, although she desperately needs this. What assurance can the Secretary of State give my constituent and her consultant?

Mr Lansley: My hon. Friend is assiduous in representing her constituent, and I will gladly discuss this matter further with her to see what the situation is. I should, however, emphasise that these are decisions being made in the use of the resources to deliver access to new cancer medicines for patients by clinical panels in each region—in each strategic health authority. To that extent, I am not seeking to substitute my judgment for that of the senior clinicians involved. None the less, if it would help my hon. Friend I will also arrange for the national clinical director for cancer services to have a discussion with her constituent's consultant to examine this case.

Mr David Ruffley (Bury St Edmunds) (Con): The Labour Government paid independent sector treatment centres 11% more, on average, than they were prepared to pay NHS hospitals. Will the Secretary of State confirm that such a practice forms no part of his health reforms?

The Minister of State, Department of Health (Mr Simon Burns): I share my hon. Friend's concerns, and those of his constituents, about the appalling situation whereby not only were ISTCs paid more than the NHS, but they were paid considerable sums for doing no work at all. It was a sham and a waste of money that could have been spent on front-line services, and I can give him the categorical assurance that it will not happen under this Government, or under my right hon. Friend the Secretary of State.

Winterbourne View Care Home

3.33 pm

Emily Thornberry (Islington South and Finsbury) (Lab) *(Urgent Question):* To ask the Secretary of State for Health to make a statement on the Government's decision not to hold an external independent inquiry into the abuse of vulnerable adults at Winterbourne View.

The Minister of State, Department of Health (Paul Burstow): Nobody watching the BBC's "Panorama" programme last week could have been anything but shocked and appalled by the systematic abuse of residents at Winterbourne View. May I, first, extend my deepest sympathies, and those of all of my colleagues in the Government, to those so horribly mistreated and abused, and to their families and loved ones? For the avoidance of doubt, I should say that we have not ruled out an independent inquiry. A criminal investigation is under way and it is important that we do nothing that could prejudice it.

In the coming weeks, the Care Quality Commission will inspect the other 22 hospitals run by Castlebeck and the reports will then be publicly available on CQC's website. The CQC is also starting a three-month inspection of the 150 hospitals that care for people with learning disabilities, and this will include unannounced inspections. Where it identifies inadequate care, the CQC will require the necessary improvements to be made immediately. South Gloucestershire council will also lead an independently chaired serious case review. I have asked the Department of Health to draw together the findings of these various investigations and ensure that they are completed in a thorough and timely manner. I can also report that Mark Goldring, the chief executive of Mencap, will bring an independent voice and a depth and breadth of knowledge of the needs of people with learning disabilities to the task of drawing conclusions and learning lessons. Once in possession of the full facts, and once the police investigation has concluded, we will be in a position to decide what further action is required.

Since being made aware of the abuse, our priority has been ensuring the safety of patients at Winterbourne View. Fifteen staff have been suspended by Castlebeck and no further patients will be accepted at Winterbourne View. All residents now have a personal advocate and the CQC is working with all the agencies involved to find suitable alternative placements for them, taking into account their specialist needs and the wishes of their families. I issued a full written ministerial statement on these matters at 9.30 this morning.

It is the right of every individual being cared for by others to be treated with dignity and respect and it is the responsibility of those trusted with their care to provide it: a responsibility that weighs most heavily on those who care for the most vulnerable, including those with learning disabilities. This responsibility rests in four places: with the providers themselves, in this case Castlebeck; with commissioners, both primary care trusts and local authorities; with the regulators, including both the Care Quality Commission and the professional regulators, and the CQC has acknowledged it should have acted sooner and issued an unreserved apology; and, of course, with individuals. No training, guidance or management should be needed to tell people that the behaviour experienced by the residents of Winterbourne View was nothing other than obscene and unacceptable.

In future, our proposed HealthWatch organisations will provide a valuable early warning and will be able to ask the CQC to investigate where concerns exist. We intend to put safeguarding adults boards on a statutory footing, helping local authorities, the NHS and the police to work together to safeguard vulnerable adults. We will do everything in our power to prevent incidents such as those at Winterbourne View from happening again and to ensure that, if they do, the system responds quickly and decisively to protect those at risk.

Emily Thornberry: The Opposition agree entirely with the sentiments expressed by the hon. Gentleman. It was with great shock and sadness that we saw the terrible events happening, before our eyes, on the television screens. To see the abuse of the most vulnerable by those entrusted with their care was truly shocking and sickening. In the wake of this tragedy, however, vital questions must, in our view, be answered fully and impartially.

Although internal investigations conducted by the CQC and South Gloucestershire council, both of which are directly connected with this failure, will be of some value, they are nevertheless insufficient. We are asking for an independent inquiry similar in nature to the well-respected "Healthcare for all" inquiry, which Sir Jonathan Michael carried out in May 2007. The Government could include in that inquiry experts to work alongside Mark Goldring, such as Professor Jim Mansell, who has already conducted two reviews for the Department of Health into the structure of homes for those with learning disabilities, because the issues raised in his reports are still to be resolved, as this tragic case suggests.

We need full and frank answers. Was the CQC's failure to monitor the treatment of residents due to the lack of resources? Was it due to the shortage of 300 staff, as reported in the *Financial Times* last week? Does the CQC have adequate powers to act in cases such as that of Winterbourne View and, if so, is it using its powers appropriately? If not, how must the CQC be strengthened to prevent a repeat of this failure and what actions will the Government take to ensure that staff working in social care are better trained and regulated so that events such as those at Winterbourne View can never be repeated?

Last week, the Minister created confusion with his response. On Tuesday, he seemed to imply that there would be an independent review of the case but by Wednesday he seemed to have changed his mind. Does he now think that internal reviews will be sufficient to answer the questions? I hear what he says about sub judice and the police inquiry, but we are not asking for an inquiry into individual culpability. We are asking for an independent inquiry into the failure of the system, for that inquiry to begin immediately and for there to be no delays. We need assurances that there will be a wide-ranging review, held in public, that will shine a light on the terrible events at Winterbourne View. Only an independent inquiry will do.

Paul Burstow: Of course, we need to ensure a full and thorough inquiry into all these matters, which is being undertaken in the serious case review, which will be

chaired independently, and in the work of the CQC. That will go on as the Department brings together all the different reviews and that is why we are very pleased that Mark Goldring will take part in the process.

The hon. Lady suggests that there was confusion last week, but the confusion was only that which she sought to spread. We were very clear from the outset that we wanted to examine all the results from all the different inquiries, and that is what we are doing. We are not ruling out any further inquiries, but we want to ensure that the processes that are in hand are concluded and that we make judgments with the full facts available.

Mr Stephen Dorrell (Charnwood) (Con): May I welcome my hon. Friend's announcements to the House this afternoon? Does he agree that although there has quite properly been a lot of focus on the CQC—Dame Jo Williams accepts that there have been quite clear failures in its supervision of the home—there are also some difficult questions to be answered, particularly by the commissioners of the care? What were they doing paying for care that clearly was not to the required standard? Equally importantly, there are some important questions for the professional regulatory bodies to answer. Did no doctor ever go into the home? If they did, what conclusions did they draw? Where were the nursing regulators in this case?

Paul Burstow: My right hon. Friend poses a number of questions that are at the heart of the various current inquiries. He is right to say that to focus solely on the CQC is to miss the point, as the primary responsibility rests with the provider organisation to recruit, train and supervise the right staff in the first place. He is also absolutely right to ask about the role of the commissioners and the professional regulators. Those are the issues that we are looking at and will examine, and I will come back to the House with answers in due course.

Mr Michael Meacher (Oldham West and Royton) (Lab): As the CQC has been forced, by Government cuts, to reduce its inspections by no less than 70%, how are the Government going to prevent similar abuses from occurring elsewhere and going uninspected and undiscovered unless someone happens to blow the whistle or offer undercover photographic evidence?

Paul Burstow: Let me start by addressing the whistleblowing issue. Terry Bryan, the whistleblower in this case, is to be applauded for his tenacity in pursuing it. The Government have been clear about the need to strengthen the arrangements and safeguards for whistleblowers, because that is an essential first way in which we can make sure that the system protects those who are vulnerable. The right hon. Gentleman suggests that the Government have in some way cut the number of inspections, but he should reflect back to 2008 when his Government introduced the current mandate for the CQC and changed the basis on which it would inspect. That is what led to the changed inspection system. Perhaps he should ask some questions about that as well.

Mr Robert Buckland (South Swindon) (Con): Does my hon. Friend agree that the model of large-scale institutionalised provision for people with learning difficulties is now broken and that we should support even more moves towards personalised and supported care close to the families and loved ones of people with learning difficulties?

Paul Burstow: My hon. Friend makes a very good point. The move towards personalisation and greater supported living is undoubtedly the direction that we wish to move in. That was started by the previous Government and we have been continuing it. We have made a massive transfer of resources from the NHS to local authorities to support that very transfer of responsibility, which is undoubtedly the way to deliver better results for individuals.

Mr Dennis Skinner (Bolsover) (Lab): Is it not self-evident that if there were a full inquiry we would be able to hear about the owners and the people who make money out of these business ventures—businesses such as Lydian Capital Partners, which owns Winterbourne View, and people such as J. P. McManus and John Magnier, who have rubbed shoulders in royal circles? Is it not ironic that those two billionaire Irishmen, at the same time as the British people are bailing out the Irish economy, are making misery for disabled people by inflicting the damage they have caused and are making money in the process?

Paul Burstow: In my public statements and in my statement today, I have made it clear that the spotlight needs to be shone just as clearly on the provider organisation in this case, and not just on the CQC. That will be my continued intention as we pursue this matter to its conclusion.

Dr Sarah Wollaston (Totnes) (Con): Will the Minister address the question of how long these vulnerable people were filmed being abused, because that simply would not have been tolerated if they were children?

Paul Burstow: My hon. Friend makes an important point. I do not know the answer to the question of how long the people were filmed before the whistle was blown again by "Panorama". However, it is an important point that will undoubtedly become clearer as we come on to the details of the inquiry.

Glenda Jackson (Hampstead and Kilburn) (Lab): I endorse the Minister's praise for the whistleblower in this horrific case, but may I remind him that he blew the whistle three times to the Care Quality Commission, which did precisely nothing? What are the Government doing to ensure that such a situation can never arise again?

Paul Burstow: The local authority was notified in the same way, so there are a number of agencies at which we need to look carefully and critically, and that is what the independently chaired serious case review will do. That is what the review by the CQC is about, and we will pull all those reviews together. If there are any gaps in the information that comes from that process, we will make sure that they are filled. However, the key thing is that lessons are learned along the way and changes are made straight away.

Robert Halfon (Harlow) (Con): Further to what the hon. Member for Hampstead and Kilburn (Glenda

[Robert Halfon]

Jackson) said, given that the CQC clearly ignored the advice it was given, there should be resignations at the highest level—the buck has to stop somewhere.

Paul Burstow: I am afraid that I am not going to agree with the hon. Gentleman today that we should call for anyone's head. I want the heads of that organisation to be relentless in pursuing the questions that hon. Members have asked today and which I have asked since this came to light about why failures occurred—not just the CQC's acknowledged failure but failures by others in allowing this to go on for the time it did. I am not calling for resignations, but I am calling for action and resolution. Learning should take place, and there should be change as a result of that learning.

Mark Durkan (Foyle) (SDLP): The Minister has rightly addressed the issue of whistleblowers. Will he assure us that there will be protection for whistleblowers in future, whether they are relatives or staff, so that they have the confidence to act? In relation to staffing issues, are any of the inquiries making any assessment of whether there is a correlation between shift lengths and pay rates and the poor care in some of those institutions?

Paul Burstow: Again, those are all matters that need to be properly considered and weighed up in the reviews and that the Department will want to make sure is part of the overall report. When that work concludes, we will report to the House and make sure that the information is available to all hon. Members so that they can assess it and make their own judgments. It is certainly the Government's intention to strengthen the protections on whistleblowing. We are consulting on how that might be given effect, and I urge the hon. Gentleman to contribute to the consultation.

Duncan Hames (Chippenham) (LD): Does the Minister envisage that putting safeguarding adults boards on a statutory footing would help care home residents, their families and all those concerned; and would bring these incidents to light and, indeed, to a halt sooner in future?

Paul Burstow: It is essential to establish a statutory basis for safeguarding adults boards, but it is not sufficient, as other issues must be addressed in the review, which is why various aspects of the work are progressing. However, it is right that we should respond quickly to the Law Commission, which recommends that we should put the boards on a statutory basis, and that is what we will do when legislation is introduced.

Malcolm Wicks (Croydon North) (Lab): If, as is often said almost as a cliché, a test of a civilised society is how we care for the most vulnerable—sadly, it is likely that Winterbourne is not an isolated example, and that even today many frail elderly people, often with dementia, and people with mental illnesses or learning difficulties are being abused and neglected—we must all think hard about how to move forward. Strong and unannounced inspections are clearly a significant part of the answer, but are there ways in which we can involve local communities and concerned citizens in safeguarding the well-being of people in homes—often private homes? If around every home there were two or three citizens who had rights to enter and could befriend some of the people there, that might be another way in which the community could add to the statutory services to try to prevent occurrences in future.

Paul Burstow: I am grateful to the right hon. Gentleman for his question. We must acknowledge that there will never be a time when there is an inspector in every room of every care home for every minute of every day. We must therefore make sure that the systems in place are robust, and that organisations are recruiting the right people and delivering the right training and supervision. However, the right hon. Gentleman's point about the involvement of the community is spot-on. That is why we are proposing the establishment of HealthWatch and why we see that as an opportunity for citizens to become involved in the provision and scrutiny of health and social care in their communities.

Margot James (Stourbridge) (Con): Very often a whistleblower is the vital link that people in such vulnerable circumstances have with the outside world, so I am pleased to hear that that will be a big part of the review. I have written to the chairman of the CQC to ask how many such whistleblower complaints were made in the past 12 months but not been followed up. The data are essential. May I have the Minister's assurance that the review will find out that information?

Paul Burstow: My hon. Friend draws attention to an area that we need to look at as part of the various aspects of the work that I described to the House today. Although I do not know the basis on which such data are collected by the CQC, I undertake to look at what data are available.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I accept the Minister's logic in not asking for heads to roll ahead of the report of the independent inquiry, but will he give the House an undertaking that once he has asked the questions and received the answers, he will not shy away from allocating responsibility and will do what the NHS is usually very bad at—allocating responsibility at some stage and asking people to resign?

Paul Burstow: I think I will say yes to that, but I want to make it clear that I am not answering in the context of hypotheticals. I do not know the conclusions of the exercise, and Ministers who come to the Dispatch Box and promise that things will never happen again are all too often and too soon proven wrong. We must make sure that we do everything we can to learn lessons from this to minimise the risks in the future, and we need to make sure that responsibility and accountability are at the heart of the reforms that the Government are making to health and social care.

Fiona Mactaggart (Slough) (Lab): The Minister is right to say that we need to learn lessons from this, but how long will it take us? The CQC has admitted inspecting Winterbourne View three times in the past two years. The South Gloucestershire safeguarding board was informed in October, but apparently took no action before the programme was aired on television. This is not the first such scandal. When I was first elected, one of the first things I did was to persuade the Department of Health to commission the Bergner report into the Longcare home scandal on the borders of my constituency —a similar huge institution in which residents were raped, abused and tortured by the people who were given care of them. It seems to me that it is not just the

individual institutions but Government who need to learn the lesson. How much money is the Minister putting into advocates and listeners of the volunteer kind mentioned by my right hon. Friend the Member for Croydon North (Malcolm Wicks), or of the professional kind, so that the voices of those who cannot always speak for themselves are heard in the inspection process?

Paul Burstow: I mentioned in my statement that each of the individuals who have been affected in this terrible way have advocates. The hon. Lady makes an important point about the role that advocacy plays for those who lack capacity or the ability in certain circumstances to advocate on their own behalf. We are looking at that as part of the overall reforms of health and social care, but as for a precise sum of money, I do not have a figure in my head that I can give her now. I will write to her on that point.

Kerry McCarthy (Bristol East) (Lab): My elderly constituent, Mr Ivor Needs, has been looking after his vaccine-damaged son, Matthew, for many, many years. Ever since I became an MP, he has been expressing concern to me about what will eventually happen to Matthew when he is no longer able to look after him. How can we reassure people such as Mr Needs that the Government are pulling out all the stops and doing all they can to ensure that care homes in the Bristol and south Gloucestershire area will be fit for purpose and a fit place for him to entrust the care of his son?

Paul Burstow: I entirely understand that question. I suspect the hon. Lady speaks for many who saw the programme and therefore fear for their loved ones who may be in other institutions. That is why we have to act in a thorough and thoughtful way, why we have to act quickly, and why the various processes that I described today are the best way to reach conclusions quickly. Because of the separate criminal inquiry, a separate independent inquiry would not be able to start until those judicial processes had been completed. That is why we want the internal processes to go forward. We have provided external scrutiny to make sure that they deliver what we all want—greater assurance that the system will deliver the best quality care for our loved ones.

Fiona O'Donnell (East Lothian) (Lab): The Minister has stated that there cannot be an inspector in every bedroom, and that is why he and hon. Members across the House this afternoon have acknowledged the vital role of whistleblowers in protecting vulnerable adults. Will he speak to colleagues in the Department for Business, Innovation and Skills to ensure that any changes to employment law do not make it more difficult for people to blow the whistle, especially new employees who often see a service through fresh eyes and therefore see faults that others have grown used to?

Paul Burstow: I will certainly have those discussions, and I would add that there is another area that we need to focus on, and that is the training and development of the work force. That is why just two weeks ago I announced not just a work force development strategy, but additional new resources to underpin that strategy for all providers to enable them to ask Skills for Care for the resources to develop their work force.

Diana Johnson (Kingston upon Hull North) (Lab): Will the Minister also look at the vetting and barring scheme in this country, and in particular have regard to the provisions in the Protection of Freedoms Bill, which is going through the House at the moment, that will remove millions of people who work with vulnerable adults from the thorough background checks that the Independent Safeguarding Authority carries out at the moment?

Paul Burstow: I will take away that point, reflect upon it and write to the hon. Lady rather than give her an off-the-cuff answer of any sort.

Dame Anne Begg (Aberdeen South) (Lab): Like my right hon. Friend the Member for Croydon North (Malcolm Wicks), I too believe that we are kidding ourselves if we think that this is a one-off and it is not happening day in, day out. There will be vulnerable adults living in their own homes today, behind locked doors, who are in fear of the carers who are paid to look after them. Might not another way of getting an eye into the locked environment be the use of telecare to make sure that someone outside is aware of what is happening in these locked institutions?

Paul Burstow: I would not want to give the impression that we would see that as a substitute for any of the other points that have been made on this urgent question today, but undoubtedly telecare, telemedicine and assisted technologies have their part to play, both in improving the quality of care and increasing independence for individuals. That is why the Government support that as part of the way in which we see the future for social care unfolding.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): A recent Tyne Tees television report uncovered cases of appalling abuse and neglect in the north-east that are now being investigated, and the staff in those cases reported dreadful treatment from their employers, not just losing their jobs but having their professional reputation smeared. Will the Minister please elaborate today as there will be workers who are aware of abuse but are in fear of their jobs, who could report abuse if they had some reassurance today of the changes that the Government are looking to make to protect vulnerable workers?

Paul Burstow: The first thing I would say is that if anyone sees criminal activity of the sort that took place at Winterbourne View, they should blow the whistle on it. There is no if or but about that. The Government have consulted and we are looking at the responses to the consultation on whistleblowing. I am not in a position to elaborate further, but it is absolutely vital that people feel able and safe enough to come forward if they have concerns about neglect, abuse or poor-quality care.

Middle East and North Africa

3.59 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): With permission, Mr Speaker, I would like to make a statement on north Africa and the middle east. On Saturday I visited Benghazi with my right hon. Friend the Secretary of State for International Development. We went to show our support for the people of Libya and their legitimate representatives, the national transitional council. Our overriding impression was of a great sense of optimism among ordinary Libyans, who are hopeful that Gaddafi will leave and deeply grateful for what the United Kingdom has done. I pay tribute to the brave men and women of our armed forces and to our diplomats and aid workers in Benghazi for their courageous work.

Benghazi is functioning well under the circumstances, with police visible on the streets, many shops and restaurants open and food staples in good supply. We also noted a dramatic expansion of civil society groups, which rightly see themselves as one of the key building blocks of a free Libya.

The UK's approach is as I have set out many times before. We continue to take robust action to implement UN Security Council resolution 1973, which authorises military action to put in place a no-fly zone to prevent air attacks on the Libyan people and all necessary measures to stop attacks on civilians while ruling out an occupation force. The case for this action remains utterly compelling.

Operating strictly within the limits of the UN resolution, we are steadily intensifying the military, economic and diplomatic pressure on the Gaddafi regime. We have increased the tempo of air strikes against regime forces, which are currently taking place at a rate of approximately 50 strike missions per day and include the targeting of military command and control sites in Tripoli, regime tanks, artillery, rocket launchers and armoured fighting vehicles. Nearly 10,000 sorties have been carried out since 31 March, including more than 3,700 strike sorties, on top of operations to disrupt regime military activity and arms shipments at sea. On 1 June the North Atlantic Council agreed unanimously to extend NATO's operations for a further 90 days from 27 June.

It is right that we ensure that our military operations are as effective as possible and that we adapt our tactics as the regime forces change theirs. Last week Britain deployed Apache helicopters to operations in Libya, alongside French helicopters, which is enabling the precise and potent targeting of regime forces.

The Gaddafi regime is isolated and on the defensive. Last week a number of senior military officers abandoned it, including five generals. The head of the National Oil Corporation also recently fled Libya. On 17 May, Arabsat joined European satellite companies in suspending Libyan state television broadcasts, a significant blow to Gaddafi's ability to carry out psychological warfare, and we press all satellite companies to take similar action.

British humanitarian support has already played a vital role in Libya. My right hon. Friend the Secretary of State for International Development has announced further assistance to protect 200,000 people in Misrata and elsewhere from land mines. We have deployed an international stabilisation response team to Benghazi, which is leading the international effort to plan detailed assistance for Libya when the conflict comes to an end, ensuring that clear plans are in place for the international community to support. Separately, we are providing additional communications equipment, uniforms and bullet-proof vests to help the national transitional council develop responsible security forces and to protect civilians.

In our meetings, we found the NTC focused on Libya's future. It has published a road map for the transition to democracy, with an interim Government including some technocratic members of the regime and elections. We have advised the NTC to develop its proposed transition in more detail to ensure that comprehensive plans are in place.

Any political settlement in Libya requires an end to violence and Gaddafi's departure. At the G8 summit in Deauville on 26 May, participants, including Russia, agreed that Gaddafi has lost all legitimacy and must go. On 11 May, at the Foreign Affairs Council, the EU agreed to intensify efforts to block the regime's access to resources, funding, military hardware and mercenaries. Today the EU has added six regime-controlled port authorities in western Libya to the EU sanctions lists. This will help prevent the regime acquiring military resources and will support the protection of Libyan civilians.

The next meeting of the Libya contact group will take place on Thursday in the United Arab Emirates, where Britain will call for all this international pressure to be intensified and maintained. The House should be in no doubt that the efforts of Britain and our partners are saving lives and enforcing UN resolutions. Had we not acted, the bloodshed would have been far greater and the consequences for Libya's neighbours and the entire region would have been extremely serious.

The Gaddafi regime is not the only Government seeking to suppress peaceful protest. Scores of people were killed in Syria over the weekend after demonstrations involving tens of thousands of people. Members on both sides of the House will have been horrified by the killing of many children and the death of 13-year-old Hamza al-Khateeb, who was allegedly tortured. The regime is using live fire against protestors and blocking UN efforts to get help to those in need. There have been reports overnight that a number of security force personnel have been killed in the town of Jisr al-Shughour, close to the Turkish border, and we call for restraint in response to this incident.

Since my previous statement, our efforts to agree EU sanctions against President Assad and other individuals responsible for the violence and repression in Syria have been successful. We are exploring with our European partners the potential for further sanctions if the violence continues.

Britain has circulated a draft UN Security Council resolution condemning the repression in Syria and calling for the Syrian Government to meet their people's legitimate demands, to release all prisoners of conscience, to lift restrictions on the media and internet and to co-operate with the UN High Commissioner for Human Rights. The House will appreciate that a resolution is not in our gift and needs the support of nine UN Security Council members and no vetoes. We are working to persuade other countries that the Security Council has a responsibility to speak out. President Assad is losing legitimacy and should reform or step aside.

We must show the same resolve and purpose in supporting change and democratic development elsewhere in the region, using, for example, the economic appeal of the EU to act as a magnet for positive change in the region. We welcome the review of the European neighbourhood policy, issued on 25 May. It includes many British proposals and follows weeks of intensive engagement by Ministers, including the Prime Minister and Deputy Prime Minister. It offers a new partnership based on progressively greater economic integration, including trade, and increased funding for the southern neighbourhood of €750 million. It links EU support with progress on political and economic reform, and it includes a civil society facility and a European endowment for democracy to help fund new political parties and small non-governmental organisations.

The G8 summit agreed the Deauville partnership, which will provide more than $20 billion in vital assistance to Tunisia and Egypt and to countries that commit to more open and democratic government, and in February I announced Britain's new Arab partnership initiative to support civil society and democratic development in the region, with initial funding of £5 million. The Prime Minister announced at the G8 summit that we will increase that funding more than twentyfold, expanding it to £110 million over four years.

The fund will provide support for lasting political and economic reform through the building blocks of democracy: independent institutions, political pluralism, free media and economic opportunity. It includes up to £40 million to work with Parliaments, civil society, human rights groups and reforming Governments, and up to £70 million to support growth and tackle the fundamental problems that leave so many millions of young people throughout the region without a job. This is in our vital national interest as well as true to our values.

Tunisia has made significant progress towards a more democratic society, but there is a risk of political reform being destabilised by economic challenges. In Egypt there have been further demonstrations calling for faster political and economic reforms and a revised electoral timetable. We are concerned that planned parliamentary elections in September will be too early to allow political parties to organise their activity and to contest the elections. The Prime Minister and I have pressed the Egyptian authorities to ensure an open and plural election process.

The situation in Yemen is extremely uncertain following President Saleh's departure to Saudi Arabia to receive medical treatment and his transfer of authority to the Vice-President. We urge the Vice-President to work closely with all sides to implement the Gulf Co-operation Council agreement and to begin political transition now. Yemen faces huge humanitarian and economic challenges, and the Yemeni Government need to dedicate all their efforts to confront the impending crisis, with international support.

Recent events have shown just how quickly the security situation in Yemen can deteriorate into ferocious and unpredictable fighting. It is of the utmost importance that all British nationals leave the country immediately by commercial means while it is still possible to do so, as we have advised them to do since 12 March. I warn again that it will be extremely unlikely that the British Government will be able to evacuate British nationals from Yemen.

We are also concerned about developments in Bahrain, particularly the arrest and trial of a large number of politicians, doctors and nurses and the allegations of torture. I raised our concern and the need for the Bahraini Government to meet all their human rights obligations when I saw the Crown Prince of Bahrain last month. I also emphasised the need for a long-term political solution that builds bridges between the different religious communities.

I welcome the lifting of the state of national safety on 1 June and the announcement by the King of Bahrain that a comprehensive and inclusive national dialogue will start on 1 July. Urgent dialogue on genuine political reform is the only way to address the legitimate concerns of the Bahraini people and to ensure long-term stability.

With a month to go before South Sudanese independence on 9 July, we have made strong representations about the violence in Abyei and southern Kordofan. I met the Sudanese Foreign Minister yesterday and urged a peaceful and durable solution for Abyei and agreement on outstanding areas of the comprehensive peace agreement. This is only more urgent following the very worrying reports received just this morning of renewed fighting in southern Kordofan. We are in touch with the UN mission in Sudan and monitoring these developments closely. I urge both sides to cease all hostilities immediately and to return to negotiations under the auspices of the African Union.

The Arab spring underlines the importance of a breakthrough on the middle east peace process. This long-standing conflict needs to be resolved, through negotiations, to give the Palestinian people the state that they need and deserve and the Israeli people long-term security and peace. The status quo is not sustainable, nor will these populations be immune from the effects of change and instability elsewhere. We strongly support President Obama's recent statement that negotiations should be on the basis of 1967 lines with mutually agreed land swaps and proper security arrangements, and along with France and Germany we are pressing the parties to return to the table.

The new Palestinian Authority should be composed of independent figures on the basis that President Abbas set out on 4 May. As was the case with the outgoing authority, it should uphold the principle of non-violence, be committed to a negotiated two-state solution, and accept previous agreements of the Palestine Liberation Organisation. Hamas will remain a proscribed terrorist organisation unless and until it abandons violence and commits to a two-state solution, and we call again for the immediate release of Gilad Shalit. The UK will judge a future Palestinian Government by their actions and their readiness to work for peace. We are also concerned by this weekend's violence in the Golan heights, resulting in many deaths, and we continue to urge restraint and call for the avoidance of the lethal use of force.

There must also be no let-up in our efforts to prevent nuclear proliferation in the middle east. Iran is combining brutal suppression of Opposition leaders at home with the provision of equipment and technical advice to help the Syrian regime to crush protests in Syria. This is unacceptable, and compounds our concern about Iran's behaviour and its intentions over its nuclear programme. We support peaceful pressure on Iran to persuade it to negotiate, backed by the offer by the UK, the US,

[Mr William Hague]

Russia, China, France and Germany to reach an agreement through talks. That is why the UK has recently helped to extend Iran sanctions in the EU, with over 100 new designations, while keeping the door open to further negotiations. Until Iran negotiates seriously, international pressure against it will only increase.

In all these countries, Britain's approach in the coming months will be consistent and determined. We will support greater economic and political freedom while anticipating and addressing threats to our own security, and we will work with our allies to protect our nation's interests while standing up for the highest values of our society.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I thank the Foreign Secretary for his statement and for advance sight of it.

Let me begin my remarks with Libya. The mission to enforce Security Council resolution 1973 continues to have the support of the Opposition, but, as has been the case from the start, we will continue carefully to scrutinise the Government's policy towards Libya. The brave and professional work of our armed forces in Libya has already helped to avert a slaughter in Benghazi and continues to provide vital support to the Libyan people, and I am sure that I speak for the whole House in saying that they continue to have the support of every Member of this House.

It has been clear from the outset that this conflict was always going to be easier to start than to finish. I therefore note all that the Foreign Secretary has said about post-conflict planning and, in particular, the work of the transitional national council, which is now producing a road map towards a more democratic future post-Gaddafi. Could he give the House a sense of the time scale by which further documentation might be available and what assessment he has made of the TNC's capability to meet the challenges set out in this plan? Can I take it from his words this afternoon that in addition to our significant military commitments, the United Kingdom, in the form of the international stabilisation response team, is now also in the lead in developing the international community's post-conflict planning?

On the Apaches, I think it is a matter of record that the French Defence Minister, Gérard Longuet, announced the British deployment before it was confirmed to this House. Does the Foreign Secretary agree that it is a matter of regret when French Ministers seem better informed about the deployment of British military personnel than the British Parliament?

I welcome what the Foreign Secretary has said about the increased pressure on the regime, but given the continuing limited capacity of the opposition forces to make broader strategic gains within Libya, by what means does he think the pressure can and will be increased in the weeks ahead?

Let me turn to events in Syria. I associate myself with the Foreign Secretary's condemnation of the actions of the Assad regime thus far, and with what President Obama said recently:

> "The Syrian government must stop shooting demonstrators and allow peaceful protests; release political prisoners and stop unjust arrests; allow human rights monitors to have access to cities like Dara'a; and start a serious dialogue to advance a democratic transition."

Will the Foreign Secretary update the House on the regime's efforts to shut down internet and mobile networks in parts of Syria? What work, if any, is under way in the United Kingdom to support people in countries such as Syria, whose freedom of expression is being restricted in that way?

Given the welcome work that is under way at the United Nations, will the Foreign Secretary provide the House with an assessment of the prospects for securing support among the P5 members for a resolution on Syria? What impact does he judge the action in Libya has had on those prospects? Will he tell the House whether consideration is being given to referring Syria's leaders to the International Criminal Court? Does he agree that the European Union can further strengthen such pressure? The EU can and should be looking at further sanctions on the regime, irrespective of what is or is not agreed at the Security Council. What discussions have the Government held with the Arab League on Syria, given its regrettable silence to date on that issue?

The situation in Bahrain continues to be deeply concerning. I reiterate our belief that the legitimate demands of protesters should be met with reform and not repression. Will the Foreign Secretary therefore give the House more details on the points that he and the Prime Minister made to the Crown Prince of Bahrain at the end of his recent visit to London? Did they raise the issue of military courts continuing to dispense summary justice? Did they raise the cases of the hundreds of protesters who have been jailed and the 90 or so who have been killed or simply disappeared? If they did raise those questions, what answers did they receive? What answers did they receive on the sharpening polarisation between communities within Bahrain?

In that context, what discussions have taken place between the Government and the governing body of Formula 1, the FIA, about its recent decision to reinstate the Bahrain grand prix in October? Will the Foreign Secretary confirm that now is not the time to decide on that event, especially given the need for restraint, reform and reconciliation to be the focus in Bahrain in the months ahead?

When I visited Tunisia recently, a number of senior figures in the transitional Government and the fledgling political parties felt that the European Union had not come up with an assistance package to match the scale of the task on which they have embarked. Will the Foreign Secretary therefore update the House on what steps Britain is taking to ensure that more comprehensive offers than those that have been outlined are made to Tunisia and Egypt to help them on the path to democracy and to assist in their economic development?

I concur with the Foreign Secretary's concern that September is too early to ensure that all political parties in Egypt have sufficient time to organise their activities and contest the elections. Following the work of my right hon. Friend the shadow Secretary of State for International Development to highlight this issue, how confident is the Foreign Secretary that the place of women in Egyptian society will be advanced and not set back by the constitutional settlement that is under construction?

Given our vital interest in the emergence of broader based democratic, prosperous countries across the middle east, how does the Foreign Secretary respond to the report by the Institute of International Finance, which

predicts that Egypt's economy will contract by 2.5%? Inflation is now above 12% and unemployment is up this year. According to Reuters, the country's foreign exchange reserves fell by as much as a third in the first three months of the year. Newspaper estimates suggest that $30 billion have left Egypt since the start of the revolution. Given that the Deauville partnership of which he spoke applies not to one country but to the whole region, and given the scale of the capital flight, does he really feel that the World Bank's package of $1 billion in each of the next two years and the International Monetary Fund's loan of $3 billion are adequate? Can he really assure the House that he is confident that the international community's response is appropriate to the opportunity and the risk of the present moment in the middle east?

There have been significant developments in relation to Israel and Palestine over the last few weeks, to which the Foreign Secretary alluded. I welcome the US President's decision to reaffirm his country's long-standing support for a two-state solution based on 1967 borders and mutually agreed land swaps. Last week's clashes on the Israel border and the Golan heights, in which a number of protestors were killed or injured, were deeply concerning. Israel of course has a right to protect its borders, but can the Foreign Secretary tell the House what the Foreign Office is doing to ensure that Governments on both sides of those borders do everything they can to avoid provocations and escalations that make it harder to find peace? After the President's speech in the United States and his speech to parliamentarians here in Westminster Hall, can the Foreign Secretary update us on any further discussions that he has had with Secretary of State Clinton on how, in practical terms, the United States and the UK will push for progress on the issue in the coming months? In addition—

Mr Speaker: Order. I think the shadow Secretary of State is approaching his last sentence.

Mr Alexander: I am indeed.

In addition, given the widespread discussion that the Palestinians plan to argue for statehood at the United Nations later this year, can the Foreign Secretary give his assessment of, first, where European Union allies are on that issue and, secondly, when the UK Government intend to come to a final view on the matter?

Mr Hague: I am grateful to the right hon. Gentleman for that wide range of questions. There are many subjects within the topic of the middle east and north Africa. I am grateful to him, of course, for joining me in paying tribute to the work of our armed forces, diplomats and aid workers, and for reaffirming what we said together in the House on 21 March—that we needed to avert slaughter in Benghazi. The action that we took did so, and that has been the foundation of the unity of this House on the conflict in Libya. We continue to be grateful for that.

The right hon. Gentleman asked about the time scale for the national transitional council producing more detail. I hope that it will do so at the contact group meeting in Abu Dhabi this week, and that it will take every further opportunity to publicise a more detailed programme for the process of transition in Libya. What it has already produced is absolutely sound, and we can support it, but it needs the added credibility of detail to be ready for Gaddafi's departure.

The right hon. Gentleman is right in assuming that the work done by the stabilisation response team, which my right hon. Friend the Secretary of State for International Development and I visited in Benghazi on Saturday, means that Britain is in the lead in post-conflict planning. We met Italian and Turkish experts who are also working with the team there, but we are certainly playing a leading role.

The right hon. Gentleman asked about the reference by a French Minister to the deployment of our helicopters. As my right hon. Friend the Defence Secretary would tell him, the decision had not been taken in the United Kingdom at that time, although it was clearly assumed in other capitals. That has been known to happen before on other subjects, and I have no doubt it will happen again.

The increasing pressure on the regime comes in all the ways that I set out in my statement. It is military, economic and diplomatic, and it is having its effect. There is no doubt that the regime has lost the initiative both in the military campaign and on the political scene in Libya in recent weeks, as a result of what we have been doing.

As for the right hon. Gentleman's questions about Syria and internet use, this has been another unacceptable aspect of the Syrian Government's behaviour in closing down freedom of expression however they can. We will always do what we can to protect people's freedom of expression, but of course we are not universally able to do so in every county of the world. In the P5 on the Security Council, Russia and China have strong reservations about a UN Security Council resolution on Syria. Russia in particular has expressed those reservations and some hostility to a resolution. We continue to work on the matter at the Security Council.

The right hon. Gentleman asked about a possible reference to the International Criminal Court, but he will be aware that in the case of a country that is not a party to the ICC, as with Syria, such a reference would require a UN Security Council resolution. As we are not able at the moment to pass a resolution on the terms that I described, we are clearly also unable to pass a resolution on a reference to the ICC. The European Union is considering additional sanctions, as he called for, and I discussed the position with the Arab League when I was in Cairo a few weeks ago. However, Arab nations have more divided loyalties than they had in the case of Libya, so there is not the same degree of Arab League unity. We have to face up to that fact.

The Prime Minister and I raised with the Crown Prince of Bahrain all the subjects that the shadow Foreign Secretary asked about. For his part, the Crown Prince is very keen for a national dialogue to be resumed and to mobilise moderate voices in Bahrain on both sides of what is, unfortunately, a very sharp sectarian divide. Formula 1 must take responsibility for its decisions, but if such an event is to take place, it should be a focus for improvements in Bahrain, and provide an incentive for all in that country to work together on a national dialogue. However, Formula 1 must make its own decisions.

The shadow Foreign Secretary asked about several vital matters on Egypt and was quite right to draw attention to the very serious economic situation. In fact, the main conclusion that I drew from visiting Egypt a few weeks ago is that the economic challenge is, if anything, even bigger than the political challenge. Although

[Mr Hague]

the measures announced at the G8 and by the EU might have to be revised and expanded over time, they are an ambitious start. It is important that EU nation states follow up with real determination what the Commission has said. The risk of the policy that the EU has announced not being followed through is that nation states will say, "Well, market access for products from north Africa is not so easy," and will not follow through on the commitments. We must be a strong voice for following that up, for implementing the support for civil society, human rights and the diversity of politics in those countries, and for helping the creation of liberal and secular parties. Part and parcel of that is the great importance of the strong participation of women in society and politics in Egypt and other north African countries, to which the shadow Foreign Secretary drew attention.

On the middle east peace process, of course we are active in urging all sides to avoid provocations. We are in constant touch with France, Germany and the US in encouraging both sides back into negotiations on the back of President Obama's speech. In my view, the strength of our case would be added to by a statement by the Quartet to follow the US statement. We have asked the US in addition to support that.

Several hon. Members *rose—*

Mr Speaker: Order. A great many hon. and right hon. Members are seeking catch my eye, but I just remind the House that Members who entered the Chamber after the Foreign Secretary began his statement should not expect to be called.

Richard Ottaway (Croydon South) (Con): I welcome the Foreign Secretary's statement and congratulate him on his visit to Benghazi with the International Development Secretary, which was right and timely.

There is a gap between the humanitarian nature of resolution 1973 and the stated aim of removing Gaddafi. Russia's shift of position means that a further UN resolution on Libya is conceivable. Does the Foreign Secretary believe that such a further resolution is necessary?

Mr Hague: The resolution on Libya is now nearly three months old, and circumstances have developed since then. My hon. Friend is right to point to the fact that it has been hard to adapt the resolution because of a lack of agreement on the Security Council to do so. We will continue to search for agreement on, for instance, adapting the sanctions regime, which of course requires unanimity in the sanctions committee, which is a bigger hurdle than a resolution in the Security Council itself. Russia's position at the G8 holds out some hope that such agreements may be forthcoming, but I cannot yet say to my hon. Friend that the Russian Federation's change of position at the G8 has been followed by a wider change of position at the Security Council and elsewhere.

Mr Jack Straw (Blackburn) (Lab): May I first express my appreciation to the Foreign Secretary and his right hon. Friend the Defence Secretary, and to their officials and our armed forces, for the work that is being carried out, above all in Libya but across the middle east? May I ask the Foreign Secretary specifically about Israel? He said in his statement that the "status quo is not sustainable"—I think the whole House will agree with that—but does he not acknowledge that the one person who believes that the status quo is indeed sustainable is Prime Minister Netanyahu? It is perfectly obvious from the rebarbative, obdurate speech that he made in Washington straight after President Obama's statement that he has no intention whatever of making any constructive moves towards a settlement. That is clearly accepted in the States, as I recognised when I was there over the past two weeks.

In that context, is it not time for the British Government to abandon the approach of successive Governments, which is to deal with Israel with kid gloves? Should we not make it clear to Israel that we will make decisions in the interests of the Israeli people, of which the Israeli Government now seem incapable, as well as the wider Arab world?

Mr Hague: Prime Minister Netanyahu is the elected Prime Minister of Israel, and we must always bear that in mind, but the right hon. Gentleman is right to say that we should make a strong case, as we do, for an agreement based on the 1967 borders. Our Prime Minister met Mr Netanyahu a few weeks ago and made that case very strongly, as I have done to him and to the Foreign Minister, Mr Lieberman. We will continue to make that case based on diplomatic persuasion, but we will also vote in accordance with our convictions. In February, we voted in the Security Council for the Palestinian resolution on settlements. That was a clear indication of the view in this country and in this House on those matters and on the importance of taking forward the peace process. I would express this a bit more diplomatically than the right hon. Gentleman did, but it is incumbent on me to do so, as it is no longer incumbent on him.

Sir Menzies Campbell (North East Fife) (LD): In spite of my right hon. Friend's understandably restrained language in relation to Bahrain, does he understand that many of us in the House and outside it think that the decision to reinstate the grand prix is simply shameful, and that it does the sport of motor racing no favours whatever? If the dialogue that is to begin in July is to be given a good start, could that not involve the cancellation of the race and, equally importantly, the release of those doctors and nurses who have apparently been arrested for having the temerity to tend the wounded?

Mr Hague: It is very important that due process should be followed. One of the most alarming things is the use of military courts in such cases. That was one of the issues that we took up with the Crown Prince, and on which we are looking for further assurances from the Bahraini Government. I am sure that my right hon. and learned Friend is right to say that the sport of Formula 1 has not done itself any good by that announcement. The important thing is to encourage all sides to get back into a real dialogue. There is no way for Bahrain to proceed into the future without a successful dialogue between the two communities; there is no other way of resolving the situation in Bahrain. We must continue to be on the side of that dialogue while always taking up our very strong human rights concerns, as we have done with the Crown Prince and as I have done in my telephone calls with the Foreign Minister. We will continue to do that.

Mr Bob Ainsworth (Coventry North East) (Lab): On post-conflict planning for Libya, the Foreign Secretary is reported to have said at the weekend that although such planning is vital, it is as yet in an "embryonic" state. I do not know whether that is true, but it is what I read in the press. Surely there is now an urgency to post-conflict planning. The Gaddafi regime could go on for some time yet but, equally, it could be on the point of collapse. What is the hold-up? What urgency can the Foreign Secretary bring to post-conflict planning for Libya, and what can he tell the House about the problems and plans involved?

Mr Hague: The right hon. Gentleman is right to point out the urgency of this situation. This is why we are taking the actions that we are. The main case that I made to the national transitional council in Benghazi was that it must step up its own planning for the day that Gaddafi departs. In Libya, it will have prime responsibility for proceeding into the future in a stable, democratic way. We are, however, at the forefront of the work being done. There is real urgency involved, which is why my right hon. Friend the Secretary of State for International Development has sent the stabilisation response team to Benghazi. It is undertaking its assessment there now and will return within the next week or so to write its report. All its work has been accelerated—*[Interruption.]* Well, it has to be a good report, as well as being done quickly. There is a balance to be struck between those two things. The United Kingdom has taken a strong lead in this, and we have shown the greatest sense of urgency of all the Governments that are engaged in the issue.

Nicholas Soames (Mid Sussex) (Con): The Foreign Secretary is clearly right to give priority to the need to get rid of Gaddafi in short order, and then to bring what help we can to the transitional government, but does he agree that the linchpin of the whole of the middle east is Egypt, and the encouragement of the values of human dignity, freedom and opportunity there? Will he quantify what further assistance the British Government are giving to the Egyptian people to help them in their democratic process?

Mr Hague: Clearly, Egypt, with its geographic position, its vast population and its history, is at the centre of so much; my hon. Friend is quite right about its central importance. As I said earlier, the economic side of our work with Egypt is of prime importance. To quantify it further, Egypt will or can benefit from the £110 million Arab partnership fund, to which I referred earlier; from the entire EU southern neighbourhood policy, with €750 million of additional funding; and, indeed, from the $20 billion of various forms of financing set out at the G8 summit in Deauville. That is the quantification of the available assistance, most of which, given the distribution of the economies in north Africa, is available to Egypt. It is also necessary for Egypt to undertake its own economic reforms to give confidence to investors and the private sector so that the country can succeed; it cannot all be done by the international community. The Egyptians must have the right environment for economic success set out by their own Government as well.

Mr Denis MacShane (Rotherham) (Lab): Why did the Foreign Secretary use the term "allegations" of torture about what *The Times* reported as

> "47 health professionals... on trial, accused of seeking to overthrow the Gulf state's monarchy"

in a closed court. It continued:

> "The doctors and nurses did this, in reality, only by treating the sick. Only the most paranoid of regimes could see treason in the Hippocratic oath."

Instead of rolling out the red carpet at Downing street, is it not time that the Foreign Secretary got a little bit more robust with this torturing regime?

Mr Hague: It is often necessary to use the word "allegation" and I have used it in respect of certain cases in Syria, which are as disturbing as some of the cases the right hon. Gentleman mentions in Bahrain. He has been a journalist in his time, so he will know that, based on what we read in newspapers, we sometimes have to refer to "allegations" rather than "established facts". Of course, these things are a huge cause for concern. It is important, however, to maintain our own contact with, and pressure on, those in Bahrain who are looking for a successful dialogue. One of those is the Crown Prince of Bahrain. It is important to maintain contact both with him and with those on the Shia side in Bahrain. Simply not to talk to anybody in Bahrain because terrible things have happened would not be the correctly constructive position of this country.

Mr Edward Leigh (Gainsborough) (Con): Will the Foreign Secretary say a bit more about post-war planning? As we saw in Iraq, getting rid of a bloody tyrant in the middle east is a lot easier than ensuring stability afterwards. Let me press him more particularly on these talks with Italian experts. What exactly does that mean? Benghazi and Tripoli were divided for centuries before the Italians imposed unity. What evidence is there that Tripoli will co-operate with the national transitional council after the fall of Gaddafi, if he does fall?

Mr Hague: Of course these are valid questions from my hon. Friend. We do not know what the exact circumstances will be whenever it is that Colonel Gaddafi departs the scene. We do know that the national transitional council is preparing for that and we have advised it to prepare more intensively. Already included in the national transitional council are members representing the Tripoli area—in fact, I met those members on Saturday—so it already has representation from all parts of Libya. Its stated goal is to include current members of the current regime—what one might call the more technocratic members of it—in an interim Government. The plans are there; they need fleshing out in more detail, but they are more grounded in sensible reality than was the case immediately after the fall of Saddam Hussein in Iraq.

Angus Robertson (Moray) (SNP): The Secretary of State has highlighted the pending independence of South Sudan on 9 July, which no doubt we all welcome. Will he confirm that this was accepted by the United Kingdom Government after the international norm of a single independence referendum?

Mr Hague: There was a single referendum, but there was also a 99% vote in favour.

Mr Tobias Ellwood (Bournemouth East) (Con): I welcome the statement. I have just returned from a visit to Cairo. Whoever one speaks to there—the Muslim Brotherhood, the military or, indeed, the youths in Tahrir square—no one can predict where Egypt will be

[Mr Tobias Ellwood]

in 12 months' time, but what is certain is the wish for a delay in the elections, which my right hon. Friend mentioned. What encouragement is Egypt being given to allow the newly formed parties time to establish their democratic base, rather than allowing the old institutions to keep their momentum going?

Mr Hague: The case advanced by my hon. Friend is mounting all the time, as is apparent to many in Egypt and outside. We must respect the sovereignty of the Egyptians—it is their decision—but we will certainly be making the case, as the United Kingdom, that they would be wise to delay the parliamentary elections. In fact, there would be merit in their holding a presidential election before the parliamentary elections, which I believe would allow the most orderly transition to a democratic system. We will make that case, while respecting the fact that the Egyptians must make their own decisions in Cairo.

Mr David Winnick (Walsall North) (Lab): Does the Foreign Secretary really believe that his remarks about the killing of Palestinian demonstrators by Israel—it was Israel, by the way, which was not mentioned by him—were sufficient, and that remarks that he made urging restraint were enough? Would it not be far better to condemn absolutely what happened over the weekend? I thoroughly agree with my right hon. Friend the Member for Blackburn (Mr Straw) that it is time that the British Government made it clear to Israel that certain actions, such as what happened over the weekend, are totally unacceptable.

Mr Hague: Obviously we condemn anything that leads to unnecessary deaths, and I have made a strong appeal for avoidance of the use of lethal force. Israel's response is certainly one that should be criticised, but Israel is not the only country that may be criticised in this regard. The area on the other side of the Golan heights boundary is under the direct control of the Syrian Government, and the access that people have gained there leads one to speculate about the motives of the Syrian Government in this matter. So the responsibility may not be all on one side, and trying to cross the borders is not the way to resolve the problems of the middle east.

I think we are all absolutely clear about the fact that the use of lethal force should be avoided whenever possible.

Several hon. Members *rose—*

Mr Speaker: Order. There is intense interest, which is reflected in the number of Members who are seeking to catch my eye. I want to accommodate colleagues because these are very important matters, but there is now a premium on economy, a legendary example of which I know will now be provided by Mr Mark Pritchard.

Mark Pritchard (The Wrekin) (Con): Thank you for your generosity, Mr Speaker. No pressure!

Does the Foreign Secretary agree that the recent violence on the Israeli-Syrian border may well be a cynical strategy on the part of the Syrian regime to try to distract the eyes of the international community from the regime's own brutality against, and murder of, its own people within its own borders?

Mr Hague: My answer to my hon. Friend is in line with my answer to the hon. Member for Walsall North (Mr Winnick). The area on the other side of the boundary fence is under the control of the Syrian Government, and people are able to draw their own conclusions from that.

Jeremy Corbyn (Islington North) (Lab): Can the Foreign Secretary credibly continue to say that Britain is not militarily involved in a war for regime change in Libya? While there are enormous concerns about violations of human rights by the Gaddafi regime and its forces, there are also reports of human rights violations by the forces opposing Gaddafi. Did the Foreign Secretary raise those with the transitional council during his visit? Is he at all concerned about the role that Saudi Arabia is playing across the region, and about its own human rights abuses? He did not mention Saudi Arabia once in his statement.

Mr Hague: Let me answer some of those questions. We did raise with the members of the national transitional council the need to uphold the very highest standards in their own behaviour and treatment of prisoners, for instance. The report to which the hon. Gentleman referred said that the council was upholding the Geneva conventions, unlike the Gaddafi regime.

Can we still credibly argue—to put the hon. Gentleman's question another way—that military action is within the terms of the United Nations Security Council resolutions? Yes, we can. If we were not taking the action we are taking, there is no doubt that the regime forces would move back into the harassment, threatening and killing of the civilian population of Libya.

Rory Stewart (Penrith and The Border) (Con): Given that the Foreign Secretary has so eloquently pointed out that Libya is just one, and perhaps not the most important, part of the events happening in the middle east at present, will he please reassure the House that nothing we do in Libya alienates the support of the Arab world or the UN Security Council, on whom we depend, for solving the much bigger issues of a dozen countries over the next 20 years?

Mr Hague: That question is about the importance of maintaining the international coalition and staying within the terms of the UN Security Council resolutions. My hon. Friend will be aware that there are Arab nations involved in this military action as well, and many more are giving it logistic and financial support, or support in the form of overflight rights. We also expect more Arab nations than before to attend the contact group meeting in Abu Dhabi, so we are enlarging the coalition of support on Libya, including with many nations of the middle east. We are also communicating with the people of the middle east in every possible way, such as through satellite television channels, to explain what we are doing. Certainly if our visit to Benghazi was anything to go by, there is very strong support for what we are doing among ordinary people, representatives of civil society and the press.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): In the light of the report in yesterday's *The New Yorker* that Barack Obama used his recent visit to canvass western European Governments to vote against the recognition of a Palestinian state at the United Nations, will the right hon. Gentleman affirm that this Government will vote in favour of the recognition of a Palestinian state at the United Nations General Assembly in September, since no decision could be more calculated to force the Israelis to come to their senses?

Mr Hague: We have taken no decision about that, and it would be premature to do so. This situation may arise in September. At the European Foreign Affairs Council, my advice to all my colleagues of the other 26 European nations was that we should withhold our statements on that issue. The fact that we have done so, and that we will judge events over the coming months, may be one factor that encourages all parties to behave responsibly over those few months.

Jo Swinson (East Dunbartonshire) (LD): Across the middle east and north Africa, appalling stories are emerging of the torture and abuse of civilians during this unrest. Last week, an Egyptian general admitted that women protestors had been subjected to forced virginity tests, and in Misrata two Libyan soldiers told the BBC how they had been ordered to take part in the gang rape of young women. What can the UK and the international community do to ensure that the perpetrators of these abuses are brought to justice, and, in line with UN Security Council resolution 1325, how will women be properly engaged in the post-conflict reconstruction?

Mr Hague: We can do many things, which we are doing. They include the following: in the case of the situation in Libya, reference to the International Criminal Court; in the case of many other countries, encouraging their Governments and domestic legal systems to take these problems seriously, and to bring about reconciliation through facing up to what has happened over recent months; and in the cases of regimes that are not listening to that, we are of course trying to intensify the pressure in other ways, as I have described. Our entire programme of encouraging civil society, human rights and the development of political parties is also in line with the strong participation of women in these societies.

Mike Gapes (Ilford South) (Lab/Co-op): How can there be a comprehensive, inclusive national dialogue in Bahrain when secular Opposition leader Ibrahim Sharif is on trial, and moderate Wafaq MPs Matar Ibrahim Matar and Jawad Fairoz have been arrested and detained? Is it not time that they were released, so that they can take part in such a dialogue?

Mr Hague: Certainly I agree with the hon. Gentleman that a successful dialogue will have to be with senior representatives of the Opposition and in different circumstances, but that should not stop us trying to encourage that dialogue. The alternative policy to the one we are pursuing is to condemn all concerned and say there is no hope for dialogue. We have to encourage those on both sides of the divide in Bahrain who believe in dialogue to undertake it. Clearly, however, they are not starting from an advantageous position given all the things that have happened in recent months, including the things to which the hon. Gentleman refers.

Richard Fuller (Bedford) (Con): The good work of our armed forces, the Department for International Development and the Foreign and Commonwealth Office in Libya depends on the support of the United States. Does the Foreign Secretary have any comment to make on moves in the US Congress to review President Obama's decision on his commitment to our efforts in Libya?

Mr Hague: This has been a long-running constitutional issue in the United States of America between various Presidents and Congress, and I probably have enough on without wading into American constitutional theory. We are assured by the US Administration that— *[Interruption.]* No, I really am not going to wade into that. We are assured by the US Administration that they are entirely satisfied with the powers they have to undertake the operations that they are undertaking and that those operations will continue.

Chris Bryant (Rhondda) (Lab): In a year's time, the barbarous regimes in Bahrain and Syria will probably expect to send teams to the Olympics here in London, along with a load of officials, who will doubtless stay in some very polite London hotels. Will that really be right if the atrocities continue?

Mr Hague: It really is premature to consider that. I am not a regular fan of boycotts of the Olympic games, which are brought up every time there is an Olympic games for one reason or another. We should be very reluctant to advocate the boycotting—

Mr MacShane: Mrs Thatcher supported the boycott in 1980.

Mr Hague: Well maybe we should learn from what happened 30 years ago. We should be reluctant about advocating boycotts, but the question is premature in any case.

Bob Blackman (Harrow East) (Con): The reported reopening of the border between Gaza and Egypt runs the risk of refuelling Hamas and Islamic Jihad. What steps is the Foreign Secretary taking to make sure that the Egyptian Government stop assisting Hamas and Islamic Jihad, so that pressure can be brought on all sides to return to the negotiating table?

Mr Hague: Clearly, we do not want the Egyptian Government to do anything that will increase the risk of violence in Gaza or emanating from Gaza, but I must say that I do not think that the reopening of crossings necessarily leads to that. The closure of borders in Gaza has tended to strengthen Hamas, creating a corrupt economy on which it has been able to thrive and increasing the sense of grievance on which it is based. So I do not think that Egypt's announcement, in itself, represents a strengthening of Hamas, but of course we must be on the alert for anything that would lead to more weapons going into Gaza and to an increased risk of violence.

Richard Burden (Birmingham, Northfield) (Lab): Motor racing is a sport and an industry where Britain leads the world; the majority of Formula 1 teams are based here. Does that not give us a special responsibility to make it much clearer to the FIA that its decision to reinstate the Bahrain grand prix is wrong ethically and on safety

[Richard Burden]

grounds, that its decision is bad for the long-term reputation of Formula 1 and that it is absolutely clear that there is widespread opposition to the decision among teams and among Formula 1 drivers? We should be clearer in asking the FIA to think again.

Mr Hague: Clearly there is widespread opposition of the kind that the hon. Gentleman describes, and the FIA must take that into account as it considers the decision it has made. It must make its own decisions—we should be clear about that—but the widespread opposition that he refers to is clear.

Christopher Pincher (Tamworth) (Con): In his statement my right hon. Friend rightly said that the national transitional council represents the legitimate aspirations of the Libyan people. So does he believe that the $53 billion-worth of frozen Libyan assets, including the $182 million-worth allegedly held by the Royal Bank of Scotland, will be released to the NTC for it to dispose of as it wishes?

Mr Hague: It is not possible to release those assets under the current UN resolutions—of course we have looked at this matter, but all the advice that we have been given is that it is not possible to do that. Other countries have received the same advice and, certainly, all other European countries are in the same position. It is very important that we stay within the UN resolutions and retain the moral authority of operating within international law, even though that is inconvenient in some respects and requires us to do some things differently from how we might wish. So that is a higher priority than finding a way around the UN resolutions. If it is possible to change them at any stage, we would be ready to do so.

Sammy Wilson (East Antrim) (DUP): Does the Foreign Secretary agree that events in Syria have the potential to be even more destabilising than events in Libya given the cynical attempt to stir up problems on the border with Israel? Will he therefore outline to us the additional sanctions on Syria that he is considering with the EU partners mentioned in the statement?

Mr Hague: The sanctions so far cover President Assad and 22 other individuals in terms of asset freezes and travel bans. Additional sanctions would involve the designation of further individuals involved in repression and violence in Syria and of commercial organisations, so the sanctions on Syria would be wider spread. I do not want to pretend to the hon. Gentleman that such sanctions will change the entire situation in Syria. They are a demonstration of our strong view rather than something that will transform the situation there. We must recognise our limited leverage in Syria, but we are exercising the leverage that we have.

Dan Byles (North Warwickshire) (Con): On the post-conflict phase, will the Foreign Secretary confirm that if the UK were to give long-term assistance to Libyan police and security forces, that assistance would be paid for by the Department for International Development and not the Ministry of Defence?

Mr Hague: Yes. Such support predominantly comes from the Department for International Development or out of the reserve. The costs of the operations in Libya are being met from the reserve, as the Chancellor has said, so they are not an additional burden on the Ministry of Defence.

Heidi Alexander (Lewisham East) (Lab): What conditions, if any, have been placed on the Arab partnership fund to ensure women's equal political participation and—dare I say it—representation in north Africa's emerging democracies?

Mr Hague: This is one of the objectives of the fund and £40 million of it is there to encourage political reform. That is very much one of the objectives. As I have said several times before, the encouragement of civil society, human rights groups, NGOs, and training for liberal and secular political parties is designed to ensure, among other things, that women have a strong role in the politics and society of these countries. We will strongly champion that.

Robert Halfon (Harlow) (Con): Does my right hon. Friend agree that Israel has the right to defend its own borders, given that the consequences of not doing so would be enormous? Does he agree that Iran is likely to have had influence on recent events over the weekend and has he made an assessment of Iranian influence in Syria?

Mr Hague: Israel does have the right to defend its borders but it must do so in a sensible and proportionate way; I think we should stress that. I have no direct evidence of Iranian involvement in the events around the borders of Israel but I have seen a good deal of evidence of Iranian involvement in Syria in attempting to crush dissent, including in the provision of riot control equipment and of expertise in how to flood particular towns and cities with security forces for the purposes of repression. Iran has a strong role in trying to quell the views of the people of Syria and we should condemn it for doing so.

Mark Durkan (Foyle) (SDLP): Although I acknowledge the scope and energy of the Foreign Secretary's personal engagement on these issues, he must accept that there is some concern that he chooses to use language that is so elliptical in relation to some clear-cut events in comparison with others. On the Syrian resolution that the Government are seeking, does any of the resistance voiced include any reference to the possibility that the existing resolution on Libya is being exceeded? If so, how does he refute that?

Mr Hague: I do not think that that is a major factor in this. As has been pointed out by hon. Members earlier, Russia, which was not an enthusiast for the Security Council resolution on Libya, has conceded at the G8 that Gaddafi has lost legitimacy and must go. When it comes to the resolution on Syria there are other factors at work. Syria has stronger relationships with various countries around the Arab world and with Russia than Libya has had in recent years. There are more powerful factors at work in making countries reluctant to condemn the Syrian Government, but if these events continue as they are, it must be acknowledged

across capitals all over the world that the Syrian Government's behaviour is unacceptable and we will make a renewed push at the United Nations on that basis.

Rehman Chishti (Gillingham and Rainham) (Con): The Foreign Secretary will know that the United States previously appointed Jerry Bremer as the Governor and administrator in Iraq to oversee the transition to democracy. Will the United Kingdom appoint someone to a similar position to oversee the transition to democracy in the post-Gaddafi regime?

Mr Hague: I doubt it because we are not intending to be an occupying power in Libya, where I hope that the situation when Gaddafi goes will be radically different from the situation in Iraq after the fall of Saddam Hussein. It will not be a situation in which armies have come from outside to remove the system and to try to construct something completely new; it will be about the success of people inside Libya who have fought for their freedom and are able to build a structure in accordance with their own culture and society. I am not anticipating there being anyone from Britain to oversee that.

Mr Dennis Skinner (Bolsover) (Lab): Would not a fair summary of the Foreign Secretary's statement be that it suggests the halcyon days of the Arab spring are fast moving towards a harsh winter and that all that will remain is a big bill for the British people to pay?

Mr Hague: No; whatever happens with the Arab spring, we should welcome people's aspirations for freedom and democracy anywhere in the world, including in the Arab world. It is bound to cause many crises and difficulties along the way, but if we did not handle these things in a sensible way, the cost to this country in terms of uncontrolled migration into Europe and new breeding grounds for terrorism would be enormous. I think that the hon. Gentleman's view is a very blinkered one.

James Morris (Halesowen and Rowley Regis) (Con): Does the Foreign Secretary agree that given all that is going on in the middle east, it is more vital than ever that the international community should take any means necessary to prevent Iran from getting a viable nuclear weapon?

Mr Hague: The way I would put it is that it is important to intensify the peaceful and legitimate pressure on Iran to turn it away from its nuclear programme. As I set out in my statement, we have secured in the past two weeks the designation of more than 100 additional entities in Iran that are in various ways engaged or associated with the nuclear programme. We are looking to other countries to intensify the pressure and we discussed this a great deal with President Obama and Secretary Clinton on their visit here a couple of weeks ago. We will continue to intensify that policy. This is of prime concern to the security of the region and the world.

Mr Ben Bradshaw (Exeter) (Lab): Given what the Foreign Secretary rightly says about the importance of consistency, I am astonished that he thinks it could be remotely acceptable for the grand prix to go ahead in Bahrain. What evidence does he have that the representations that he and the Prime Minister are making constantly, as he tells us, to the Bahraini Government are having any effect at all?

Mr Hague: We will see over time the effect that we have in Bahrain. It is important to have channels of communication to the ruling family and the ruling group as well as to the opposition forces in Bahrain, and Britain is one of the few countries that has both those channels, which our embassy in Manama has built up over the years. We should use those channels constructively because there is no solution in Bahrain other than one based on a successful dialogue between both sides. We have to continue to encourage that.

Mr Andy Slaughter (Hammersmith) (Lab): The Foreign Secretary has consistently condemned the use of live fire against unarmed protesters by murderous regimes such as Assad's and Gaddafi's, so why does he find it difficult today to condemn exactly the same thing by the Israeli regime? What protest is he making to the ambassador and to the Government of Israel and what sanctions will he consider if there is a repetition of these events, which go on week by week on all of Israel's illegal borders?

Mr Hague: I have pointed out that the responsibility for the situation on the borders is not entirely on the Israeli side. I have made very clear our opposition to the use of lethal force and that the defence of borders and boundaries should be proportionate. Hon. Members should make no mistake about that. That is the message that we convey to the Israeli authorities. We should not be so short-sighted as to believe that in the case of Syria no one else is involved in trying to create those incidents and putting people in a position in which they are caught up in violent incidents.

Ian Paisley (North Antrim) (DUP): I thank the Foreign Secretary for his comprehensive statement. Will he be specific about the number of British nationals who have fled Yemen since the statement in March? Will he give us his estimate of the number of British nationals who remain in Yemen and, finally, why are there 80 British marines off the coast of Yemen and what do they intend to do? In the statement, he said that it was "extremely unlikely that the British Government will be able to evacuate any British nationals" left in Yemen.

Mr Hague: There is a good deal of evidence that many British nationals have left Yemen in recent months in response to our advice, although it is not always easy to track them all individually. Most British nationals who remain appear to be dual nationals, so they may not intend to leave under any circumstances—they are Yemeni as well as British. The number of people holding only British nationality is certainly down to a few hundred as far as we can see—fewer than 300 would be a fair estimate. There are British military assets in the region, but I am not going into the operational tasking of those assets. I restate that, whatever the assets we may have in the region, conducting a safe evacuation from a place where it would be difficult for people even to get to the airport if greater violence breaks out is not something on which people can rely.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Foreign Secretary suggested that one reason why we heard so little from the Arab League in recent weeks was the level of disagreement. Will he update the House on where agreement may be reached, as the support of the Arab League will be extremely important and vital to all of us?

Mr Hague: On Libya, the Arab League has been very clear and is very supportive of what we have done under the Security Council resolutions. I trust that it will be represented on the contact group in Abu Dhabi. This week, it is on Syria that Arab councils would be more divided, because the connections between some of their Governments and the Syrian authorities are much closer than they were in the case of Colonel Gaddafi. There is no doubt that Arab nations individually are, in many cases, playing a role in encouraging President Assad down a path of reform, although it may be too late for that. However, they are playing their role in doing so as individual nationals, rather than through the Arab League.

Naomi Long (Belfast East) (Alliance): With respect to the planned national dialogue in Bahrain, what representations will the Secretary of State make to the Bahraini authorities to ensure that that dialogue not only addresses the main sectarian tensions and political reform but wider issues of civil and religious liberty for other minority groupings in Bahrain?

Mr Hague: The hon. Lady makes an important point. For it to be a successful national dialogue, it will have to embrace all those concerns. In our next meetings with those authorities, I will certainly make the point that she has made in the House.

Mr Speaker: I am grateful to the Foreign Secretary and colleagues for their co-operation.

Prevent Strategy

5.8 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement on the review of the Government's strategy to stop people becoming terrorists or supporting terrorism.

Intelligence indicates that the UK faces a serious and sustained threat from terrorism. Osama bin Laden may be dead, but the threat from al-Qaeda-inspired terrorism is not. Indeed, the threat level from international terrorism remains at "Severe", meaning an attack is highly likely. That threat comes both from foreign nationals and from terrorists born and bred in Britain.

To tackle that threat, as the Prime Minister made clear in his speech in Munich earlier this year, we must not only arrest and prosecute those who breach the law, but we must stop people being drawn into terrorist-related activity in the first place. That will require a new approach to integrating our divided communities, led by my right hon. Friend the Secretary of State for Communities and Local Government, and delivered by Ministers across the whole of Government. In counter-terrorism policy, it will require an effective strategy to tackle radicalisation in this country and overseas. That is why, last year, I launched a review of the existing counter-radicalisation strategy known as Prevent. That review found that the Prevent programme that we inherited from the previous Government was flawed. It confused Government policy to promote integration with Government policy to prevent terrorism. It failed to tackle the extremist ideology that not only undermines the cohesion of our society, but inspires would-be terrorists to seek to bring death and destruction to our towns and cities. In trying to reach out to those at risk of radicalisation, funding sometimes even reached the very extremist organisations that Prevent should have been confronting. We will not make the same mistakes.

Our new strategy is guided by a number of key principles. Prevent should remain an integral part of our counter-terrorism strategy, Contest, a full update of which we will publish later this summer. Its aim should be to stop people becoming terrorists or supporting terrorism. Prevent should address all forms of terrorism, including the extreme right wing. That is only right and proper and will also provide a more flexible basis to adapt to emerging threats in the future.

In a world of scarce resources, it is clear that Prevent work must be targeted against those forms of terrorism that pose the greatest risk to our national security. Currently, the greatest threat comes from al-Qaeda and those it inspires. The majority of Prevent resources and efforts will therefore be devoted to stopping people joining or supporting al-Qaeda, its affiliates or like-minded groups. But Prevent must also recognise and tackle the insidious impact of non-violent extremism, which can create an atmosphere conducive to terrorism and can popularise views that terrorists exploit.

Prevent depends on a successful integration strategy, but integration alone will not meet our counter-terrorism objectives, and our integration programme should go much wider than just security and counter-terrorism. This was a fundamental failing of the last Government's approach. They failed to promote integration, and where

they did promote it, they did so through the narrow prism of counter-terrorism. So we will do more than any Government before us to promote integration, including through teaching our history and values in our schools, through the national citizen service, and through other policies, but we will do so separately and differently from Prevent. The combined effect of this work and of the new Prevent strategy will be an unyielding fight against extremism, violent extremism and radicalisation.

It is critical that agencies, Departments and local authorities work to a common set of Prevent objectives to deliver the outcomes that we want. Public funding for Prevent must be rigorously prioritised and comprehensively audited. The previous Government were far too lax in spending in this area, as they were in so many others. Let me reiterate that under this Government, public money will not be provided to extremist organisations. If organisations do not support the values of democracy, human rights, equality before the law, participation in society—if they do not accept these fundamental and universal values—we will not work with them and we will not fund them.

Within this overall framework, the new Prevent strategy will have three objectives. First, Prevent will respond to the ideological challenge and the threat from those who promote it. As the Deputy Prime Minister said in his speech in Luton, we must be much more assertive about our values. Let me be clear: the ideology of extremism and terrorism is the problem; Islam emphatically is not. Tackling that ideology will mean working with mainstream individuals and organisations to make sure moderate voices are heard. It will mean robustly defending our institutions and our way of life. So where propagandists break the law in encouraging or approving terrorism, it will mean arrest and prosecution, and where people seek to enter this country from overseas to engage in activity in support of extremist or terrorist groups, we will exclude them. Since coming to power, I have already excluded 44 individuals from the UK either because of unacceptable behaviour or for national security reasons.

Secondly, Prevent will stop individuals being drawn into terrorism and will ensure that they are given appropriate advice and support. Radicalisation is a process, not a one-off event. During that process it is possible to intervene to stop vulnerable people gravitating towards terrorism. We will do this by building on the successful multi-agency "Channel" programme, which identifies and provides support for people at risk of radicalisation. I want to use this opportunity to make one thing clear—Prevent is not about spying on communities, as some have alleged. It is about acting on information from the police, the security and intelligence agencies, local authorities and community organisations to help those specifically at risk of turning towards terrorism. It is incumbent on everyone in this country to play their part in helping them do so.

Thirdly, we will work with sectors and institutions where there are risks of radicalisation. It is right to acknowledge that progress has been made in this area, but that progress has been patchy and it must be improved. So we will work with education and health care providers, universities, faith groups, charities, prisons and the wider criminal justice system. We will also work to tackle the particular challenge of radicalisation on the internet, and to make better use ourselves of social media and other modern communications technologies.

This review has been independently overseen by Lord Carlile of Berriew, and I pay tribute to him for his contribution. Lord Carlile has said that the new Prevent strategy has his full support. He said that

"it provides a template for challenging the extremist ideas and terrorist actions which seek to undermine the rule of law and fundamental British political values and institutions. Its tone is clear, and its policy compelling. It offers a positive message for mutual respect, tolerance and liberty."

Prevent has not been without controversy. In the past, it received allegations that it was a cover for spying. Those allegations have been found to be false, but now we will make sure that this is seen and known to be the case. In the past, Prevent was muddled up with integration. It operated to confused and contradictory objectives—not any more. At times funding even found its way to the sorts of extremist organisations that themselves pose a threat to our society and to our security—not under this Government.

Let me be clear. We will not fund or work with organisations that do not subscribe to the core values of our society. Our new Prevent strategy will challenge the extremist ideology, it will help protect sectors and institutions from extremists, and it will stop the radicalisation of vulnerable people. Above all, it will tackle the threat from home-grown terrorism. I commend this statement to the House.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): We should take this opportunity to pay tribute to those who work so hard to protect our national security. Today we expected the Home Secretary to update the Prevent strategy, but she has done nothing of the sort. We support updating the Prevent strategy, but there is a massive gap between her rhetoric today and the reality of her policies. Where she should be building consensus around counter-terrorism, instead she has been political point-scoring. She has set out no actual proposals on how she would deliver in such an important area.

Most of the work on the development of Prevent was done after the 7/7 bombings and it was treading completely new ground. Urgent work was needed to disrupt the process of radicalisation, but there was no experience to draw on, and a range of different approaches was rightly tried. Much of that work was supported by the Opposition at the time. Some like "Channel" were very successful; some were not as effective. We were clear from the very beginning that it would need to be reviewed and evolve in the light of the evidence. The same is true now.

The Home Secretary, however, has claimed with great certainty that she will not make mistakes. If she believes that she now knows all the answers on how to tackle extremism and radicalisation, she is heading for a fall. In her desire to blame the previous Government for everything she is blinding herself and her Government to the fact that this is difficult work. Some of what she would like to do will work, but some will not, and it will need to be reviewed again, but that should be on the basis of evidence, not political positioning.

The Home Secretary has not even told us what her new mistake-free strategy involves. We agree that some groups should not be funded because of their extremist views, but the review says that it found no evidence to indicate widespread, systematic or deliberate funding of extremist groups, either by the Home Office or by local

[Yvette Cooper]

authorities or police forces. She has told us nothing about the new framework that will somehow prevent it happening inadvertently with local decisions in place. She has said that there will be a new focus on integration from the Department for Communities and Local Government, but what is it, what will it do and how will it be funded? She has already cut 40% from the Prevent funding for local councils this year alone and they have major cuts still to come.

The Home Secretary has claimed that there will be stronger work by universities and the NHS, but the Universities UK and the British Medical Association have already rejected her views. How workable are these plans if such critical stakeholders are hostile from the start? She has not set out different approaches for dealing with violent extremism, non-violent extremist and integration and seems to be confusing all three. Is it not the truth that there is a massive gap between her rhetoric and reality?

The Prime Minister has claimed that there will now be no more of the passive tolerance of recent years and much more active, muscular liberalism, but what will the Government actually do and how will they deliver? Police counter-terrorism budgets are being cut in real terms, as are the Foreign Office's counter-terrorism programmes, and later today the Home Secretary will introduce a Bill that will make it harder, not easier, to prevent terrorism attacks by watering down elements of control orders. Despite all the Prime Minister's strong claims about getting tough on extremists, there is still no sign that he will meet his pre-election promise to ban the extremist group Hizb ut-Tahrir.

I know from previous experience of the Home Secretary's statements that if I give her a long list of questions, she will not answer them, so let me leave her with just one: will she confirm that the Government will not meet their promise to ban Hizb ut-Tahrir and admit that sometimes it is not as easy in practice to deliver counter-terrorism and work to prevent extremism as it is to make grand political promises as she has done today?

Mrs May: I am rather disappointed in the tone that the right hon. Lady has taken in her response. On the one hand she said that she recognised that the Prevent strategy needed review, but on the other hand she has completely rejected the review that has taken place. She claims that no change is taking place, but clearly there is. On Hizb ut-Tahrir, the Government are concerned about that group's actions and keep it under constant review. She asked me to confirm that that is a very difficult area in which to work, which I am happy to do. It is difficult to make the proper judgments in this area.

When we came into office we looked at the previous Government's approach and found that they had not looked at the issue of extremism but focused instead on violent extremism. We believe that it is important to look at extremism, because people involved in it can be led on to violent extremism and terrorist acts. We believe that it is also important to look at extremism because it can create an atmosphere in which people can more easily be radicalised towards terrorism. That is a key change that we are bringing about. We are looking at all forms of terrorism and have made that clear in what we are doing.

I have identified a number of areas where I think not enough has been done to look at radicalisation. The right hon. Lady said that Universities UK had rejected the review's statements relating to universities, but I have to say to her and to Universities UK that I consider one of the problems to have been a degree of complacency in universities and their unwillingness to recognise the radicalisation that can take place on their campuses and do anything about it. We aim to work with universities to ensure that in future, with regard to their pastoral duty of care to students, they take radicalisation seriously and act accordingly.

There will be real differences in the approach we are taking. It has been a problem in the past that, because Prevent covered both integration and the counter-terrorism aspects of the strategy, it was perceived to be the securitisation of integration, so it is right that the Department for Communities and Local Government will take on the integration aspect of our policy and work on aspects of community cohesion.

Finally, I think that it is absolutely right that the Government should look very carefully at the groups that are being funded, analyse and evaluate them properly and carefully monitor how money is spent. The previous Government did not do that.

Mr David Davis (Haltemprice and Howden) (Con): I welcome wholeheartedly my right hon. Friend's statement and comments, not least because a couple of weeks ago I received a letter from a Muslim inmate of one of our high-security prisons, in which he said:

> 'Last week our prison service imam told us 'not to believe western media' in relation to the death of Usama bin Laden. The week prior to that the imam celebrated the escape of hundreds of Taliban prisoners from the Kabul jail.'

He went on to list equally inappropriate teachings by prison imams in a total of five prisons. The Home Secretary is right to draw attention to the previous Government's complacency over the issue. Will she give an undertaking that this will be put right and that we will not be able to say those things next year?

Mrs May: I thank my right hon. Friend for bringing that letter to the attention of the House and, in doing so, raising a very important aspect of the work on which we wish to focus. There is a great deal more to be done in prisons, and a number of steps that we intend to take are set out in the Prevent strategy today. I should be very happy to receive a copy of that letter, if he feels able to share it with me, so that we can look at the specific allegations that have been made, but we intend to work more carefully with prisons, prison staff, the National Offender Management Service and those going into prisons to deal with individual prisoners in order to try to ensure that we do not see the sort of activity taking place that he has identified.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): Who could possibly disagree with the three objectives that the Home Secretary has set out? But she has not done herself or her Government justice by seeking to make party political points about those who had to deal—I did not have to—with the reality of post-7 July 2005. I have just one very simple question. How can she this afternoon talk about building on our institutions and on an understanding of our

values and history while the Education Secretary is proposing to withdraw citizenship from the school curriculum?

Mrs May: In relation to my comments on the previous Government, we did a proper review of the Prevent strategy to identify those areas where change was necessary. We have done that, and I have brought to the House a number of areas where we believe the previous Government's strategy was flawed and where it is necessary to make changes, which I have set out before the House today.

In relation to what is happening in education, my right hon. Friend the Secretary of State for Education is quite clear about the necessity of ensuring that values are indeed taught in our schools, but that that is done in a number of ways, including through the proper teaching of our history.

Dr Julian Lewis (New Forest East) (Con): During the cold war, Governments of Labour and Conservative persuasions differentiated between communists who were subversive and broke the law and communists who preached a totalitarian philosophy. Does my right hon. Friend agree that it is the job of the police and of the Security Service to deal with those Islamists or, as I prefer to call them, un-Islamic extremists who break the law, but that the job of Prevent must be to destroy the philosophical basis of the perversion of the religion that they seek to convey?

Mrs May: I certainly agree with my hon. Friend that we need to ensure that those who break the law are dealt with appropriately. We need to ensure also that we challenge the ideology—or, the perverse ideology—that people use to lure others down the road of radicalisation and into violent acts and into terrorism. In terms of the Prevent point of view and the very clear counter-terrorism aspect of the strategy that we have identified, that work will be done in a number of ways. In the Prevent strategy, we set out how we will deal with issues such as the internet and the use of the internet to radicalise people, but it will also be done through work with individuals who are identified as vulnerable.

Hazel Blears (Salford and Eccles) (Lab): I am very disappointed at the tone that the Home Secretary has adopted today. She has been extremely partisan in her comments. It is very easy to talk tough on these issues, but what practical support will she give to women and to young Muslims to develop the skills and confidence to tackle that pernicious ideology? In particular, what will she do about the £4.2 million that the research, information and communications unit in the Home Office spent last year? It is supposed to be developing a counter-narrative, but I for one have not seen one useful piece or product of research and information that RICU has produced. At the same time, the money for communities has been slashed, but we have a real responsibility to support people in our communities, so that they have the skills to tackle this pernicious, political ideology that is all too prevalent.

Mrs May: The right hon. Lady is correct to say that it is important to ensure that individuals are able to tackle this perverse ideology, and part of Prevent's work with individuals will be precisely about that—about enabling people to understand the perversion of the ideology.

In relation to dealing with the wider aspects of community participation and cohesion, however, including looking at the involvement in society more generally, as we would like, of women from particular communities who are often not able or encouraged to do so, the Department for Communities and Local Government is looking at that issue in the integration strategy that it is developing.

We refer to RICU, which was set up under the last Government, in the strategy. I fully accept the right hon. Lady's point about communication, which is extremely important; that is why we are looking at the role that RICU plays in it.

Tom Brake (Carshalton and Wallington) (LD): Does the Home Secretary agree that a clear divide must exist between the measures designed to tackle violent extremism and those designed to promote community cohesion, that funding must be denied to organisations that do not support our basic values in relation to respect for women and minorities, and that the most effective way to confront radical non-violent groups is to tackle their beliefs in open debate?

Mrs May: I certainly agree that we need to challenge the ideology. I also agree that the means by which we deal with violent extremism, or people who are vulnerable to radicalisation towards violent extremism, need to be separated from the wider task of community cohesion and working towards greater participation in society. In the past, people came to look with some concern at what was being done in the name of Prevent because it was trying to mix up those two aspects of work. It is important that we separate out the community cohesion work, which is overseen by the Department for Communities and Local Government.

Mr George Howarth (Knowsley) (Lab): As somebody who has high regard for the Home Secretary, I, too, express regret that she has chosen to express some of her views in such party political terms. Surely it is right that we seek unity across the House on this issue.

Given that several thousand young Islamists in this country have been through training systems in Pakistan, can the Home Secretary give the House an assurance that that will be borne in mind in future and that the good work that has been carried out in Pakistan under Prevent and associated programmes will not be jettisoned, because it is important for the terrorist activities that take place in this country?

Mrs May: It is certainly the case that a strand of Prevent work takes place overseas and is overseen by the Foreign and Commonwealth Office, and it is important that that work is properly evaluated and evidence-based so that we ensure that the money is being spent where it can be seen to be properly working. We need to look very carefully at how the money is spent in that area of activity, but we also need to ensure that it continues to take place, and the Foreign and Commonwealth Office will be doing that. Separately from that, because the Department for International Development does not fund Prevent-related work, the work that DFID does in building up society has an impact in this area as well.

Patrick Mercer (Newark) (Con): The Home Secretary talked about the dangers from Islamist fundamentalism but did not, I am sure for good reason, mention the

[Patrick Mercer]

dangers from Irish republican terrorism. Could she account for the difficult nexus in terms of intelligence and prevention work on the mainland of the United Kingdom and how this policy will encompass it?

Mrs May: I thank my hon. Friend for raising Northern Ireland-related terrorism. The Prevent strategy that I have outlined specifically does not cover Northern Ireland-related terrorism because it is important that we work through the Secretary of State for Northern Ireland, and the Northern Ireland Assembly and Ministers there, in looking at these issues. There is a responsibility for this in Northern Ireland, and it would not be right for us to bring Northern Ireland-related terrorism under the Prevent strategy that I have announced. However, certain aspects of the Prevent strategy have some commonality with themes in relation to Northern Ireland-related terrorism, and I am sure that others will draw on that.

Ian Paisley (North Antrim) (DUP): I thank the Home Secretary for her statement and for clarifying that point, but will she elaborate on it? Will she confirm that where a dissident republican suspect is found to be operational, active and gathering intelligence here on the mainland, they will come under this policy and will be subject to its restrictions, and, importantly, that they will not be sin-binned back to Northern Ireland but will be restrained here, where they are trying to commit their crime?

Mrs May: I assure the hon. Gentleman that anybody who is identified as being involved in acts of terrorism or preparatory acts of terrorism that are suitable for prosecution under the law will be prosecuted under the law.

Nicola Blackwood (Oxford West and Abingdon) (Con): I welcome the Home Secretary's statement. The strategy highlights the targeting of university campuses by extremists for the purposes of radicalising vulnerable students. I noted her concern that some universities are complacent about those risks. Will she give more detail on how the revised Prevent programme will better protect students while not overwhelming universities with excessive burdens?

Mrs May: I am happy to look at that issue. That work has started in a number of ways. The National Union of Students has done good work on the role that it can play to prevent radicalisation on campuses by considering issues such as who is speaking on campuses. We will continue to work with the NUS to develop its approach, including to other university societies. We will also work with university vice-chancellors and staff on this issue. It is certainly not our intention suddenly to overburden universities with red tape. However, we hope that universities are prepared to recognise the role that radicalisation on campuses can play and accept that they have a responsibility to look at what is happening on their campuses.

Mr Clive Betts (Sheffield South East) (Lab): In the last Parliament, the Communities and Local Government Committee did a report on the previous Government's Prevent strategy. One criticism that was made to our inquiry, to which the Secretary of State has alluded, is that there was confusion between a strand of the policy that dealt with individuals who were felt to be at risk of becoming involved in terrorism and other policies that were more closely related to social cohesion measures. Is the Home Secretary saying that the first of those issues will be the responsibility of the Home Office and the second the responsibility of the Department for Communities and Local Government? Will there be any links between the two? If there are, how will the policy differ from that of the previous Government?

Mrs May: It is our intention that there will be different responsibilities for those matters. We will allow the Department for Communities and Local Government to identify how it wishes to operate its integration strategy. I believe that hon. Members will hear more from my right hon. Friend the Secretary of State for Communities and Local Government on the wider issues of community cohesion, participation in society and integration in due course. We will bring together a joint board to ensure that all activity takes place against the Government's overall objectives in this area. I expect that that board will look at the interface between the Prevent strategy and the integration strategy of the Department for Communities and Local Government. We will not label the DCLG work as part of the Prevent strategy, and it will not be part of the counter-terrorism strategy run by the Home Office.

Lorraine Fullbrook (South Ribble) (Con): Will my right hon. Friend reassure my constituents in South Ribble that these reforms will ensure that the Prevent programme is properly focused and, above all, more effective than it has been?

Mrs May: I welcome my hon. Friend to the House following her recent illness. It is good to see her back in her seat. It is certainly our intention to monitor how money is spent on Prevent to ensure that it is spent effectively. In looking at the programmes that work, we will ensure that the decisions that are made are fully evidence-based.

Pete Wishart (Perth and North Perthshire) (SNP): In what new ways will the right hon. Lady promote integration? What core values and whose history will now be taught in schools?

Mrs May: The last time I looked, there was a different education system in Scotland, and I reassure the hon. Gentleman that I am not suggesting that I will touch it. However, I think that people across the United Kingdom share a belief in the values of democracy, human rights, equality and the rule of law, and those are the values that we are talking about.

Graham Evans (Weaver Vale) (Con): I welcome the teaching of British history in our schools. Will my right hon. Friend reassure the House that the police and security services are content with the new package of proposals?

Mrs May: I am very happy to give my hon. Friend that confirmation. We have of course been talking to the police and the intelligence agencies about the issue, and there will be particular interaction with the police because a significant part of the Prevent money is spent by them. I will write to chief constables and others today to set out the new strategy.

Tristram Hunt (Stoke-on-Trent Central) (Lab): I am glad that the Home Secretary mentioned the extreme right wing. In Stoke-on-Trent, we have dealt with alleged terrorist conspiracies from both Islamic fundamentalists and far-right white fascists. I am also keen on her announcement of actions regarding the internet. Many young British Muslims are heading towards radicalisation via the teachings of Anwar al-Awlaki, gained over the internet. May I urge her to make the security services go on the front foot against some of the stuff that is coming over the internet?

Finally, may I urge the Home Secretary to proceed with caution on defining British values? The history of Britain also involves the denial of democracy, the denial of the rule of law and the denial of equal rights in many nations around the world, and for Home Secretaries to define what is and is not Britishness is treacherous territory.

Mr Speaker: I am very impressed that the hon. Gentleman is still breathing.

Mrs May: I of course recognise the experience in Stoke-on-Trent, particularly over the past year, in relation to both terrorist plots of an Islamic nature and the influence and actions of the English Defence League. I would hope that everybody in the House believes in the values to which I referred in my answer to the hon. Member for Perth and North Perthshire (Pete Wishart), namely democracy, the rule of law, equality and human rights. Those are the values that we wish to promote.

Mr Rob Wilson (Reading East) (Con): May I congratulate the Home Secretary on her statement, and say what a breath of fresh air it was to hear some of the things that she said? As she knows, much of the threat to the UK comes via Pakistan. Can she explain how the Government are working with counter-terror agencies to deal with that specific threat?

Mrs May: We work closely with the Government of Pakistan on counter-terrorism matters, and I should put on record in the House, as I believe I have on previous occasions, that in fact the Pakistani people have suffered significant losses to terrorist attacks. Several thousand people have died in Pakistan in recent years as a result of such attacks, and we should never forget what is happening to people living there. Of course, there are considerable links between this country and Pakistan, and as I said, we work closely with the Pakistani Government in examining counter-terrorism issues.

Kate Hoey (Vauxhall) (Lab): I very much welcome the better targeting of our resources, but will the Home Secretary ensure that projects and schemes that are doing extremely well in inner cities, such as some around the mosque in Lambeth, are protected or at least not arbitrarily thrown away just to save money?

Mrs May: One aspect of the new strategy that we are adopting is a much closer evaluation of the work that is done, so that we can identify precisely the projects that are working well and should continue to be supported. At the same time, we will also identify groups that we feel it is no longer right for the Government to fund.

Mr Peter Bone (Wellingborough) (Con): I thank the Home Secretary for coming to the House again to keep us informed. In Wellingborough prison, the imam is in charge of all the religious affairs. I am sure he is very good, but what checks are made in prisons to ensure that the imams there are not preaching extremism?

Mrs May: My hon. Friend's question refers back, in a sense, to that asked by my right hon. Friend the Member for Haltemprice and Howden (Mr Davis). In considering how we deal with prisons, we will do much more work to examine exactly what is happening there. We will work with prison governors and staff and with the National Offender Management Service to get better information about what is happening in prisons, which is a key aspect of the strategy. We recognise that more work needs to be done.

Naomi Long (Belfast East) (Alliance): I thank the Home Secretary for her statement. In disentangling the issues of trying to create more community cohesion and at the same time trying to deal with terrorism and radicalisation, how can we ensure that there is not a gap through which radicalised young people can emerge? How can we ensure that the policies co-exist and are complementary to each other, not in conflict?

Mrs May: As I indicated earlier, we will take steps to ensure that our policies are complementary across the Government. Importantly, I hope that the integration and community cohesion strategies will encourage people to be willing to identify those young people who they consider to be vulnerable to radicalisation, and who they feel need the support and action of the programmes that are available, to ensure that they do not go down the route to terrorism.

Mr David Burrowes (Enfield, Southgate) (Con): The Home Secretary spoke of the values of our country. It is important to recognise the Christian heritage of those values, so will she recognise the failure of the previous strategy, which diminished the positive contribution of faith-based organisations and distorted their relationships with the Government? I welcome the announcement of the £5 million of near neighbours funding to enable churches to be involved in reaching out to all communities. That is a positive and welcome step.

Mrs May: I am grateful to my hon. Friend for making the point that it is important that the Government are willing to work with groups from all faiths, to ensure that we use the expertise and ability that faith groups have to reach out into their communities in a way that the Government cannot. As I said, it is important to do that across all faiths.

Mr Denis MacShane (Rotherham) (Lab): If I pointed out to the Home Secretary that before 1997, her Conservative predecessor, who was advised by the current Prime Minister, allowed into Britain no fewer than four times Sheikh Qaradawi, the theologian and ideologue of suicide bombing, she would just dismiss it as a political point. All Governments get some of their policies on such things wrong, and she should not have made such a partisan statement.

On a specific point, the University and College Lecturers Union has just repudiated—at its congress last weekend—the EU's definition of anti-Semitism. That is a highly

[Mr Denis MacShane]

retrograde step, because that working definition is accepted around the world. The union has given a green light to all those who want to encourage anti-Semitic thinking. Will the Home Secretary and the Education Secretary look into that?

Mrs May: As the right hon. Gentleman may have seen, an Education Minister is sitting on the Treasury Bench. He will have heard that point and I am sure he will raise it with the Education Secretary.

Sajid Javid (Bromsgrove) (Con): May I warmly welcome the Home Secretary's statement? Since the terrible bombings of July 2005, it is clear that in some cases self-appointed Islamist groups have used public funds to poison young Muslim minds. Will my right hon. Friend therefore make it absolutely clear that this Government will only work with and fund groups that accept the British way of life, our democracy and our values?

Mrs May: As I made clear in my statement, and as is made clear in the strategy, the Government will not work with or fund groups that hold extremist views.

James Morris (Halesowen and Rowley Regis) (Con): Does the Home Secretary agree that one key to this strategy is international co-operation with agencies in other countries, particularly in addressing the prevalence of propaganda on the internet? Sharing intelligence across agencies could well get to the source of that problem.

Mrs May: I am grateful to my hon. Friend for again raising the internet, which was mentioned in an earlier question. It is important that we look at the use of the internet, and we can do so in a number of ways. The police could take action in relation to some of the things that are put on the internet here, but one of the key things is to work internationally, particularly with the US. Many internet providers are based there rather than here, and are therefore outside UK jurisdiction. We are doing more to talk to the US, and indeed to those companies directly about their responsibilities.

Rehman Chishti (Gillingham and Rainham) (Con): As somebody with an Islamic background, I very much welcome the Secretary of State's statement. She has announced an excellent and proper way forward to deal with that bizarre, distorted ideology and to promote community cohesion. What representations, if any, have been made to the Governments of Afghanistan and Pakistan on reforming the madrassahs—the religious schools—which have often been a breeding ground for extremism?

Mrs May: I am happy to say to my hon. Friend that that was one of the issues that I discussed with the Pakistan Interior Minister when I visited that country last October.

Bob Blackman (Harrow East) (Con): One problem with the Prevent scheme funding under the previous Administration was the lack of clarity on what the funding was for and which organisations would receive it, and ensuring appropriate outcomes. Will my right hon. Friend ensure not only that a broad range of organisations receive funds, but that those organisations are outcome-based, so that we can clearly evaluate the success or otherwise of the funding?

Mrs May: My hon. Friend makes an important point. It is not good enough for Governments simply to give money to organisations; we need to ensure that it is being effectively used for the purpose for which it was intended. That is why it is important that we establish much clearer evaluation and monitoring of the use of that money.

Kinship Carers (Parental Responsibility Agreements)

Motion for leave to bring in a Bill (Standing Order No. 23)

5.50 pm

Kerry McCarthy (Bristol East) (Lab): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to make provision to extend the system of parental responsibility agreements to enable a kinship carer to obtain parental responsibility for a child they are raising without having to bring a case to court; and for connected purposes.

There are an estimated 200,000 to 300,000 children in the United Kingdom being raised by relatives or friends because their parents cannot look after them. Those children have often experienced tragedy or trauma due to the death or imprisonment of a parent, or to a parent's alcohol or drug misuse or mental health problems. Sometimes, the parent has simply walked out on them. The Family Rights Group describes those carers and the children they care for as

"the forgotten families of family policy—overlooked by service providers and government".

Most of those children are being raised by grandparents, but many are also being raised by older siblings, aunts and uncles, and even friends and neighbours or their parents' ex-partners. Those carers step in when there is a crisis—an instinctive response to a vulnerable child needing to be taken under someone's wing. It is a decision made without pausing to think about practical matters, such as what the legal arrangements will be or what sort of support might be needed. The children benefit hugely from remaining in family units. They feel loved, they maintain contact with family members and they have some much-needed stability in their lives.

The aim of the Bill is to extend the system of parental responsibility agreements, which currently applies to step-parents under section 4 of the Children Act 1989, to allow close relatives to obtain parental responsibility for a child they are raising, with the consent of the parents who have parental responsibility, without having to go to court. It would apply only to those who are defined as a relative under section 105 of the Act: grandparents, brothers, sisters, uncles or aunts, whether by full blood, half blood, marriage or civil partnership. It would therefore not apply to friends or to wider family carers such as cousins, to ensure that the arrangements remain distinct from private fostering arrangements, which require regular local authority checks set up as a result of the Victoria Climbié inquiry.

The aim is to assist with those private, temporary arrangements, which are currently completely under the radar, and to enable kinship carers to be recognised by schools to authorise school trips; to register the child with a GP and to be entitled to make medical decisions on the child's behalf; to apply for a passport; to assist with demonstrating that they are the primary carers with regard to accessing child benefit, child care vouchers, and so on; and to qualify to apply for parental leave and the right to request flexible working arrangements. To get parental responsibility, most kinship carers currently have to go to court to apply for special guardianship or a residence order. My proposal would minimise the huge disruption to family dynamics involved in bringing a case to court, enabling families to function during periods of crisis.

I shall give the House a few examples. One grandmother told me that when her grandson needed injections at the doctors, they were turned away. With a parental responsibility agreement in place, she would have been in a position to sign for his injections there and then. Instead, they had the difficult job of trying to track down the mum and getting her consent. Grandparents who had raised their grandson from when he was a toddler told us that they would not go to court to apply for a residence or special guardianship order until the child was 10, because they feared that the court might not support their application and that they would lose him, possibly to adoption. They therefore did not have the legal authority to make key decisions—for example, to sign for him to go on school trips. Another woman has told me that she has looked after her six-year-old nephew for the past three and half years. She has been advised to go to court to apply for a legal order to get parental rights, as his birth mother is unlikely ever to be able to look after him again, but she cannot afford to pay the court costs. She is in full-time work, so she can get no help with those costs.

This week is European prisoners' children week, which makes this a good time also to be talking about the particular difficulties faced by families with a parent in prison. Every year, 160,000 children experience the imprisonment of a parent. Family carers play an important role in helping prisoners and their children to stay in touch during a sentence, which has been shown to be critical in preventing reoffending. Children in those circumstances are also at higher risk of becoming offenders themselves, and kinship carers play a vital role in supporting those vulnerable and often traumatised children. The problem is that, in those circumstances, carers are often reluctant to seek the help that they need from children's services. They are often scared of state involvement, and especially fearful of social workers removing the children from them or criticising their ability to parent the child, even if that fear is unwarranted, as it is in the vast majority of cases.

I would like to share with the House a couple of the many stories from carers at whom the Bill is particularly targeted. Angie has looked after her granddaughter for the past three years, since the child was just one year old. Her granddaughter's father is in prison, and the child's mother has just come through a home detox from heroin; she is now completely clean. Prior to Angie's full-time involvement with her granddaughter, she looked after her most weekends and on some week nights. She says:

"I have strong views on parents and children remaining as a family unit and if my daughter had lost control of her daughter, this would have had the reverse effect on her drug recovery and the bond between mum and daughter would simply have vanished. The consequence of this would be long term for the child. I am delighted that my daughter has had regular supervised contact with her own daughter. It has meant a lot and I am sure that is why she was eventually able to detox from all drug use and see her own daughter as needing a real mum".

Angie goes on to say:

"I think this Bill would have helped me enormously. I have considered special guardianship but the court process would be too much for my daughter who sees this as 'taking her daughter right from under her'. People in drug abuse situations do not have the foresight to see things clearly and this Act would have been an enormous help to us if it had been in force three years ago".

[Kerry McCarthy]

I have also been contacted by a woman who, for obvious reasons, wishes to remain anonymous. Her sister has mental health problems and is an alcoholic. The children's father did not want residence, so the grandparents went to court, gained a residence order and took on caring for the children, but the grandparents' health declined, and the children's aunt and her partner have unofficially taken on care of the children. They do not have the money to go back through the courts to change the residence order arrangement. Also, they want to ensure that the new living arrangements are what the children want—a decision that they are unable to make until they have given it a go for a sustained period of time. I shall quote from the aunt's e-mail:

"My parents live 70 miles away, so sorting all the consent letters for school, activity clubs, etc., does become a pain. My nephew broke his leg recently and you can imagine the rigmarole when he had to undergo emergency medical treatment and neither my partner nor I were officially able to sign for treatment. My partner even had to lie about being official next of kin to the ward staff, in order to sleep overnight in hospital with him. We weren't prepared to leave him alone, but if we'd been honest, that's exactly what would have happened!"

My proposal does not involve any spending commitment. In fact, it goes a little way towards supporting the carers who save the state the estimated £12 billion that it would cost if the children involved were in independent foster care. I am pleased that the last Labour Government produced draft family and friends care statutory guidance for local authorities just before the general election. That guidance has now been finalised, and requires that local authorities must have a family and friends care policy in place by 30 September this year, addressing all children in family and friends care, not only those in the care system.

The Bill is backed by the Family Rights Group, the Fostering Network, the Grandparents' Association, Grandparents Plus, the National Children's Bureau, Action for Prisoners' Families, the Who Cares? Trust, the Prison Advice and Care Trust, the Adolescent and Children's Trust, and Mentor UK. I would particularly like to thank Cathy Ashley of the Family Rights Group for all her work on the Bill.

I would like to finish by thanking Paul, a young man who is bringing up his six younger siblings after his mother walked out, and who had to battle the system for a year and see his brothers and sisters taken into care and put into foster homes before the courts accepted that he was the best person to look after them. It was hearing Paul recently on "Woman's Hour", speaking so articulately and passionately about his experience, that inspired me to take up this issue. He is an excellent role model for his younger siblings, and I wish his family all the best for the future.

Question put and agreed to.

Ordered,

That Kerry McCarthy, Mr David Blunkett, Paul Goggins, Mrs Helen Grant, Kate Green, Andrew Gwynne, Mrs Sharon Hodgson, Alan Johnson, Mr David Lammy, Lisa Nandy, Priti Patel and Mr Jamie Reed present the Bill.

Kerry McCarthy accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 21 October, and to be printed (Bill 198).

Terrorism Prevention and Investigation Measures Bill

Second Reading

6 pm

The Secretary of State for the Home Department (Mrs Theresa May): I beg to move, That the Bill be now read a Second time.

There is no greater task for any Government than to protect their citizens, to uphold their values and to defend their way of life, but when we face such a significant threat from terrorism over so great a period it becomes even more important that the Government ensure that the protection of our citizens does not overshadow the freedoms of us all. That is why we reviewed counter-terrorism legislation and it is why we need this Bill. Let me be clear: I will do nothing that risks our national security or the safety of our citizens, but this Bill is necessary precisely because public safety is enhanced, not diminished, by appropriate and proportionate powers.

There is in this country a small number of people who pose a real threat to our citizens, but whom we cannot successfully prosecute or deport. Prosecution, conviction and prison will always be our priority because the right place for a terrorist is in a prison cell. Where successful prosecution or deportation is not possible, however, no responsible Government could allow dangerous individuals to go freely about their terrorist activities. Since becoming Home Secretary, I have made use of the control order powers available to me to stop terrorist activity and to place restrictions on such individuals on a number of occasions.

Mr William Cash (Stone) (Con): I think that my right hon. Friend may have anticipated that I would have something to say. She refers to terrorists and I am sure she realises that what she is talking about in this context is suspected terrorists. Does she recognise that it is the fault of the Government and Parliament if judges are given too much scope in human rights matters? Why produce a Bill here at Westminster that fails to provide for due process and a fair trial according to the basic principles of British justice? The coalition is simply giving in to Lib-Dem pressure for this Bill to comply with the Human Rights Act and the European convention; and it has not even provided for a derogation from article 5.

Mrs May: I did indeed expect that, as my hon. Friend was in the Chamber, he might wish to raise certain matters. I am aware of his private Member's Bill on the same issue. I have to tell him that I was not entirely clear from what he said whether he was in favour of more human rights or against more human rights. I see him leaping to his feet.

Mr Cash: I am grateful to the Home Secretary for walking into that one. I am very much in favour of human rights, but I am in favour of human rights according to principles of British justice, not those devised through the European convention and applied through the Human Rights Act, which has led to so many contradictions and inconsistencies and has raised so much concern among the public at large.

Mrs May: I hope my hon. Friend is grateful for the opportunity I gave him to clarify that particular point. I simply say in response to that and his comments about the judiciary that legislation is, of course, set by Parliament, but I believe that the relationship between politicians and the judiciary has changed as a result of the operation of the Human Rights Act. As a Government, we have set up a commission, which will report in due course, to look at the Human Rights Act and the possibility of introducing a Bill of Rights.

I said that I felt the Bill was necessary because public safety is enhanced, not diminished, by appropriate and proportionate powers. Protecting the British public will always be my top priority, but the current control orders regime is neither perfect nor entirely effective. I believe that the Bill will give us appropriate, proportionate and effective powers to deal with the risk posed by people we believe are involved in terrorist-related activity whom we can neither prosecute nor deport.

Our approach is clear, consistent and coherent. We will repeal the control order regime and replace it with a more focused and targeted regime of terrorism prevention and investigation measures. We will then support the new measures with increased covert investigative resources. So this Bill starts by repealing the Act that provides the power to impose control orders on individuals: the Prevention of Terrorism Act 2005.

The Bill sets out the essential elements of the TPIM—terrorism prevention and investigation measures—regime that will replace control orders. It enables the Secretary of State to impose specified terrorism prevention and investigation measures on an individual by means of a TPIM notice. Unlike under the control order regime, the detail of the measures that will be able to be imposed will be specified in legislation and so will be specifically approved by the House. It is only right that it is Parliament, and not the Executive, that decides what types of measures may be imposed.

The Bill establishes 12 types of measures that could be imposed as part of a TPIM notice. It also provides clear limits on the restrictions that may be imposed under each measure. These measures include: an overnight residence measure; a travel measure, mainly to prevent travel outside the United Kingdom; an exclusion measure to prevent individuals entering specified areas or places; a financial services measure; an electronic communication device measure; an association measure; a reporting measure and a monitoring measure.

The overnight residence measure is not the same as the control order curfew requirement. Under control orders, curfews could last up to 16 hours and apply at any point in the day. Our intention is not to force individuals to remain in their homes during the day, when they might normally go out to work or study, but to ensure they are in their homes overnight, as most people normally would be. This will reduce the scope for involvement in terrorism-related activity and reduce the risk of absconding.

The travel measure will allow the banning of overseas travel without permission. It will also allow the individual to be required to surrender their passport or travel documents. This measure is, I believe, absolutely vital to stop travel for terrorist training, for example.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Home Secretary has said that the overnight residence requirements are different from curfews and

[Yvette Cooper]

that she does not want to prevent people from going out in the evening. Why, then, did she apply for a control order that included a curfew between 5 pm in the evening and 9 am in the morning—a total curfew of 16 hours?

Mrs May: We are currently operating—and have been since the Government came to power—the control order regime that was put in place by the Prevention of Terrorism Act. That is the basis on which I am currently operating. The new regime that will be put in place—of terrorism prevention and investigation measures—is a package that includes not just the measures in the Bill, but, as the right hon. Lady knows, the extra resources for the security services and the police.

Yvette Cooper: But will the Home Secretary confirm that she has the power to specify how many hours a curfew should be for and that she has chosen to specify a curfew for 16 hours rather than for fewer hours?

Mrs May: I will not comment on a particular case, which the right hon. Lady appears to be trying to get me to do. What I will say is that under the current control order regime it is possible to specify the length of a curfew. As she will know, the length of curfew has been challenged—and challenged successfully—in the courts. What we are doing with TPIMs is taking a different approach to the issue. The TPIMs in the Bill are intended to ensure that we allow prevention of terrorism activity for national security requirements, while also ensuring that individuals can take part in what is regarded as normal activity, such as work or study.

Pete Wishart (Perth and North Perthshire) (SNP): Will not the Home Secretary simply accept that these TPIMs are nothing other than a repackaging and rebranding of the old, discredited control orders regime? Has she had a chance to look at the sheet produced by Liberty, which goes through measure by measure, showing how similar they are? Is it not the case that she is no better than Lord Reid when it comes to control orders?

Mrs May: We are introducing a new regime. We did what we undertook to do as a coalition Government when we came to power. Both parties were committed to reviewing the control order regime. We did that, and what we have decided is that the right balance between civil liberties and national security is reflected in the Bill. It will enable us to take action to prevent terrorist activity by that small number of people who, as I have said, we are unable to prosecute or deport, while at the same time re-striking the balance between national security and civil liberties. The financial services measures would allow individuals to be limited to one bank account, for which they would have to provide statements. Transfer of money and goods overseas without prior permission could also be prohibited. Under the association measure, a list of prohibited associates would be supplied to the individual in advance, with the possibility that notice would be required of meetings with other individuals. The reporting measure would require individuals to report to a particular police station at a particular time, and the monitoring measure would require them to co-operate with arrangements to monitor their movements, communications and other activities. That might include a requirement to wear an electronic tag.

The Bill places clear limits on each of the restrictions that can be imposed. For example, it clearly provides no power for individuals to be relocated to another part of the country without their consent. The exclusion measure will allow only tightly defined exclusion from particular places such as named buildings and streets or defined locations. It will not allow exclusion from wide geographical areas. Exclusion will also be allowed from certain types of locations such as airports, ports or international railway stations. The need for such an exclusion should be obvious. As for restrictions involving electronic communication devices, the Bill makes it clear that the individual concerned must be allowed to own and use at least one fixed-line telephone, a computer and fixed-line internet connection and a mobile telephone. All that must of course be subject to specific conditions, such as the provision of passwords and phone numbers.

The Bill also sets out the conditions that must be satisfied before the Secretary of State may impose a TPIMs notice. A key change from the control order regime is that the Secretary of State must now reasonably believe, rather than reasonably suspect, that an individual is or has been involved in terrorism-related activity. The Secretary of State must also reasonably consider that it is necessary to impose particular measures on an individual to protect the public and to restrict the individual's involvement in terrorism-related activity. That means that the package of measures will vary from case to case, which is only right given that all cases will be different.

We are aware that TPIMs are a short-term tool to protect the public rather than a long-term solution. A person will be subject to a TPIMs notice for no more than two years in response to specific terrorist-related activity. The initial notice will be imposed for one year, and can be extended once if that is necessary to protect the public. If an individual engages in new terrorism-related activity, of course a new notice and new measures can be imposed with a further two-year time limit. A new notice could be imposed immediately if terrorism-related activity had occurred during the life of the TPIM, and a new TPIMs notice could be imposed after the original one had expired. That is an essential safeguard for our national security, ensuring that appropriate disruptive action can be taken if an individual re-engages in terrorism-related activity.

As with the current regime, the courts will have to give permission for a TPIMs notice to be imposed. Only in the most exceptional and urgent cases will court permission not have been obtained before the imposition of a notice. If the court gives permission, a full review of the decision must begin automatically. There will be no requirement for the lodging of an appeal. The full review will be heard by a High Court judge. If the judge does not consider that the relevant conditions have been met, in relation to the notice as a whole or in relation to specific measures within it, the judge may quash the whole notice or specific measures as appropriate. Individuals will know enough of the case against them to enable them to instruct their own lawyer and the special advocate who will have access to all material, including sensitive material.

Naomi Long (Belfast East) (Alliance): The power to use control orders has always extended to Northern Ireland, but has never been used. What discussions has the Home Secretary had about the availability of special advocates in Northern Ireland? There are very few at present, and the imposition of TPIMs could present a problem.

Mrs May: One of the issues that we are examining is the more general issue of special advocates and the information available to them, but I take the hon. Lady's point. As she says, the current regime is not being used in Northern Ireland, but we will be very aware of the issue of special advocates and their availability there. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire)—who is responsible for crime and security matters—is involved in wider Government work in relation to the availability of sensitive information in cases relating to terrorist activity.

In practice, individuals subject to terrorism prevention and investigation measures will know the key elements of the case against them, even if it is not possible for them to see all the underlying intelligence. Once a TPIMs notice has been imposed, there will be a further right of appeal against subsequent decisions—for example, decisions to extend or vary the terms of the notice. The package in the Bill will assure individuals subject to TPIMs notices of a significant and appropriate level of judicial oversight of their cases. As well as providing for rigorous consideration by the courts, the Bill contains a formal statutory requirement for the Secretary of State to keep under review whether a TPIMs notice, and all its restrictions, remains necessary to protect the public from a risk of terrorism. That will remove any doubt about whether such notices are assessed to ensure that they remain necessary at all times.

The Bill provides a number of further safeguards. The Secretary of State will be required to make a quarterly report to Parliament on the exercise of the powers in the Bill. That mirrors the current practice in relation to control orders, and will ensure appropriate visibility, and public accountability, of the TPIMs regime. The Secretary of State must also appoint an independent person to review the operation of the enacted legislation. That, too, mirrors the current control order regime.

As the House will know, David Anderson QC recently took on the role of independent reviewer of terrorism legislation, which was previously undertaken so effectively and for so many years by Lord Carlile of Berriew. As independent reviewer, David Anderson would undertake the statutory reviews of the TPIMs legislation, just as he currently reviews control order powers.

The final part of the Bill relates to enforcement. It provides for a criminal offence of breaching measures specified in a TPIM notice without reasonable excuse. The maximum penalty will be five years' imprisonment. The Bill also contains detailed provisions relating to powers of search and entry, which build on the existing powers relating to control orders. There will be an explicit power for the police to undertake a search for compliance purposes—for example, to check that the individual has no prohibited communications devices—but they will be required to obtain a warrant first.

The final part of our approach is to combine the new preventive measures with significantly increased resources for the police and the Security Service, over and above those agreed in the spending review, to help with investigation and prosecution. For security reasons I cannot give the House a full breakdown of the funds provided for specific security activities, but I can reassure Members that this is new money that has not been taken from any existing counter-terrorism programmes. These additional investigative capabilities and resources will help the police and MI5 to gather evidence with a view, as always, to prosecution. The commitment to prosecution is also reflected in clause 10, which requires prior consultation with the police on whether evidence is available that could realistically be used for prosecution in relation to a terrorist offence. It also requires the police to keep the individual's conduct under review while a TPIMs notice is in force, and to report to the Home Secretary on that review.

I have discussed the new arrangements in detail with Jonathan Evans, the director general of the Security Service. He has told me that he considers that the changes provide an acceptable balance between the needs of security and those of civil liberties, and that the overall package mitigates risk.

The Bill is a vital part of the Government's new, more effective and more proportionate approach to counter-terrorism. This afternoon I announced to the House a new and more effective strategy for countering radicalisation; the Bill is, perhaps, as important as that new strategy in restoring trust in Britain's approach to counter-terrorism. The repeal of control orders, their replacement with TPIMs, and extra resources for covert surveillance and investigation constitute the right approach. It is an approach that is necessary and proportionate, that will do a great deal to protect the public from the risk of terrorism, and that deserves support from all parties. I commend the Bill to the House.

6.18 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Home Secretary barely had time to draw breath between statement and debate, but that transition exposes again the gap between the Government's rhetoric and reality in regard to counter-terrorism. On a day on which the Home Secretary has launched her review of the strategy to prevent terrorism, with tough talk about clamping down, she is simultaneously watering down measures proven to prevent terrorist activity.

The fact is that, for the most part, the Bill is a confusion and a con. It does not do what it says on the tin, and it does not fulfil the grand promises made by the Conservatives and the Liberal Democrats. In 27 clauses, it takes us in a circle and—almost—back to where we started. However, in a few areas it does make changes, and some of them are worrying.

Dr Julian Huppert (Cambridge) (LD): Will the right hon. Lady confirm that Labour party policy favours a more authoritarian version of this Bill?

Yvette Cooper: If the hon. Gentleman persists with such simplistic soundbites, he will misunderstand the nature of the terrorist threat to Britain, and also the nature of the Bill that he is supporting, because this Bill represents a complete reversal of the promises he and his party made during the election, and does not abolish the control orders regime but simply renames it with a few minor amendments.

[Yvette Cooper]

We on the Opposition Benches do not have access to the latest security assessments from the experts. We believe it is important to support the Government on counter-terrorism issues where we can, but in order to do so we will need more reassurances from the Home Secretary, and also some changes. The first duty of any Government is the protection of the people and the safeguarding of national security, yet the Home Secretary's changes currently make it harder for the police and security services to limit the actions of a small number of dangerous people. We therefore need more reassurances on that.

Ideally, we would not have control orders because, ideally, we would not need them, but the Labour Government introduced them because we recognised that we needed to deal with a very small number of difficult cases, where prosecution was not possible for a range of reasons and where the public still needed to be protected from terrorist activity. In opposition, the Liberal Democrats and the Conservatives condemned control orders, but now they are in government they have changed their minds. Indeed, the Home Secretary has introduced six new control orders since she came to office, and renewed eight more, but rather than admit that, she is desperate to maintain the fiction that control orders need to be replaced by something fundamentally different and that this Bill does the trick.

Most of the Bill is a fudge, drawn up to meet promises made to the Deputy Prime Minister that control orders would be abolished. Clause 1 does exactly that, but clauses 2 to 27 just reinstate most of the elements of control orders. The Bill does not therefore meet the Liberal Democrats' manifesto promise to scrap orders that use evidence in closed sessions of court, nor does it meet the Conservative pledge of

"eliminating the control order regime."—[*Official Report, House of Lords*, 3 March 2010; Vol. 717, c. 1530.]

It certainly does not meet the grand claims of the Deputy Prime Minister in January, when *The Sunday Times* was briefed that he had

"won his Cabinet fight to scrap control orders",

that suspects will no longer have to wear electronic tags or have a home curfew, and that they

"will also be allowed to travel wherever they want in Britain".

As all Members now know, the Bill allows for tags, home curfews and restrictions on travel around Britain. Where control orders use closed proceedings and special advocates, so too do TPIMs. Where control orders are instigated by the Home Secretary with the permission of the High Court, so too are TPIMs. Where control orders are used when prosecution is not possible, so too are TPIMs. Where control orders can restrict people's movements, communication, association, travel and bank accounts, so too can TPIMs.

Let me read out some extracts from the Government's own explanatory notes to the Bill. Clause 1 abolishes control orders, and clauses 2 to 4 introduce TPIMs. On clauses 6 to 9 and schedule 2, the notes say:

"This replicates the position in relation to control orders".

On clause 10, they say:

"The clause maintains all the existing requirements contained in the 2005 Act."

On clauses 12 to 15 and schedule 3, they say:

"The clauses make provision—equivalent to that in the 2005 Act in relation to control orders".

On clauses 16 to 18 and schedule 4, they say:

"This provides similar rights of appeal to those that exist in relation to control orders."

They say that clauses 19 to 20

"place requirements—equivalent to those contained in the 2005 Act in relation to control orders".

On clause 21, they say that

"this effectively recreates the main offence of the 2005 Act of contravening an obligation imposed under a control order"—

and they then add, in brackets—

"(including the same maximum penalty)".

This Bill is one big set of square brackets which reads: insert control orders here.

Pete Wishart: The right hon. Lady is absolutely right: there is almost no difference between TPIMs and the former control order regime. What is the Labour party's position on this? Would she amend control orders to make them more in line with her party's new view on civil liberties? Indeed, what is the Labour party's view on civil liberties? Were control orders a step too far? Will she now come on our side and start to take on the anti-civil libertarian state that Labour created?

Yvette Cooper: As I said earlier, control orders are not ideal, and ideally we would not need them, but we do. We need to continue with control orders and this kind of protection.

I will set out my view of the Bill's measures and where we think greater scrutiny is needed, and highlight the reduction in safeguards and checks and balances that the Home Secretary is introducing, because the point is not simply that she is weakening the powers of the police and security forces in certain areas, but that she is weakening the checks and balances, and in particular the parliamentary checks and balances, on the system that is in place. Those parliamentary checks and balances are extremely important for safeguarding our civil liberties, as well as for protecting national security.

Tom Brake (Carshalton and Wallington) (LD): I rise in search of some clarity on where the right hon. Lady stands. She seems to be saying on the one hand that TPIMs are simply recreating what existed under control orders, but on the other hand that what the Government are doing is making the situation much more dangerous, but it cannot be both.

Yvette Cooper: I suggest that the hon. Gentleman listens more closely to what I am saying. The overall approach of the Government's Bill, which he should read, is to reinstate most of the elements of control orders. I agree however—and I have said this clearly—that the Home Secretary is changing control orders in a series of ways, and I will address them shortly as they are significant. Some of them are justified, but others create risks, and changes will need to be made.

Overall, the Government should admit what they are doing. This is a cut-and-paste job. In place of control orders, all we have is "son of control orders". It is irresponsible to maintain this pretence. That is not being straight with Parliament or the public on an issue

of grave importance: how we safeguard our national security and our civil liberties. Debates on matters such as these should be open, transparent and considered, not fudged, fraudulent and confused. This is an area where Governments need to maintain the trust and confidence of the public, but we do not achieve that by playing these kinds of political games.

This is also a very strange use of parliamentary time. There are some limited and specific differences between control orders and "son of control orders" that I am not concerned about, but, frankly, the Home Secretary could have achieved them with about four clauses amending the 2005 Act which could have been debated as part of the Protection of Freedoms Bill. She could have covered the issues of relocation, the length of the curfew and access to phones through amendments to an existing Act. She did not need an entirely new piece of legislation to abolish control orders and then reintroduce them under another name.

Why are we not doing that? Why do we have an entire additional Bill with 27 more clauses, all redrafted, doing the same thing? Why are we here today? The answer is because the Home Secretary has lost yet another battle with her Cabinet colleagues on her policy areas, so she is forced to go through this charade of entirely new legislation; and because, once again, the Government are putting politics before good policy.

As I have made clear, some of the changes to the control orders are limited. We can support some of them, but some are very troubling. The first change is to move the burden of proof from "reasonable suspicion" to "reasonable belief". We understand that the view of the experts is that none of the control orders that have been upheld would have failed that higher standard, and that this will not make a significant difference to the serious cases they worry about. We believe it is right to follow the evidence, and we are happy to support this change on that basis.

The second change is to alter the wording in respect of the hours. That is a bit of a joke. In place of curfews, we have a reference to overnight residence requirements, but what is the difference? The online "Oxford English Dictionary" definition of a curfew is

"a regulation requiring people to remain indoors during specified hours, typically at night."

It is, therefore, a requirement to stay in one's residence overnight, or, as one might say, an overnight residence requirement. The Deputy Prime Minister made great play of the fact that people would be restricted for fewer hours under TPIMs than under control orders, but that is not what the Bill actually says. In fact, there is no specified limit on the number of hours someone has to stay at home. All the Bill says is "overnight".

Let us turn again to the OED for illumination about what that should ordinarily mean. Overnight means

"for the duration of a night",

and night means

"the period from sunset to sunrise."

So does the Home Secretary intend TPIMs to apply for the hours of darkness? Does she want them to be longer in winter than in summer, and longer in the north than in the south? Does she want them potentially to be used to prevent evening activities and meetings, or only to require people to sleep in their own beds? If she does not think TPIMs should be used to prevent evening meetings or people going out after dark when surveillance is much more difficult, is she confident that this will not increase the risks to the public, or make it harder for the security services and police to do their jobs?

I asked the Home Secretary this during her speech, but how does this fit with her own decisions? A number of the 14 orders she has made or renewed since she took office include curfews, several of more than 12 hours. A recent one runs from 5 pm to 9 am—it is summer, so does that count as "overnight"? She can refuse to answer all these questions, but if she does not answer them, the courts will. Her definition just invites legal challenge or judicial review and, for the sake of the Government's legal bill alone, she should tighten it up.

Thirdly, the Home Secretary has replaced an inexhaustive list of restrictions with an exhaustive list to choose from. We will ask in Committee whether or not any case, historical or current, would have been affected by this change. Fourthly, she and the Deputy Prime Minister have said that the new Bill would prevent relocation. This matter does raise some significant concerns. Preventing people from entering an entire area, or requiring them to live somewhere else, is, in general, deeply undesirable. However, many experts have concluded that in certain limited circumstances it is extremely important and can be justified. Indeed, police officers have told me that relocation can, in some exceptional circumstances, be the most effective way to disrupt terrorist activity and break someone out of a network of dangerous contacts and associations.

The Home Secretary must think that too, because in February she imposed a control order on a suspect that banned them from entering London and less than one month ago her lawyers defended those restrictions in the High Court. I have gone through the Court papers for this case, which, like so many, is extremely serious. The individual on the order, who is known as CD, was suspected of planning forthcoming attacks using firearms in London. The Court was told that he was attending regular meetings with associates in this city to plan an attack and had previously travelled to Syria for what was alleged to be extremist training. The assessment of the security services and the Home Secretary was that it was necessary to relocate CD outside Greater London to prevent him from having these meetings and co-ordinating an attack—that is what they argued in Court just last month. The High Court judge concluded that the relocation obligation is

"a necessary and proportionate measure to protect the public from the risk of what is an immediate and real risk of a terrorist-related attack."

All this happened just last month, so the House needs to consider why we are seeking to introduce a change to control orders that would remove a function that the Home Secretary believed, and the High Court agreed, was needed for national security only one month ago?

Fifthly, the Home Secretary is restricting individual TPIMs to two years. Control orders could be renewed repeatedly, and she has not explained what will happen to the two people currently on control orders for more than two years once this Bill comes into force. Will they transfer to TPIMs or will the Home Secretary have to apply to the courts all over again? Sixthly, she is permitting access to phones and computers. She has assured the House that that will be monitored, but we will seek assurances from the monitoring agencies as to whether

[Yvette Cooper]

sufficient safeguards are in place and whether they have the resources to manage the continued monitoring that will be involved.

A wider question is being raised because these changes—the potentially reduced hours for curfews; a potentially narrower list of restrictions; more association with others who may be causing trouble; and the greater use of phone and internet—all require greater surveillance and resources to fill the gap. The Home Secretary has refused to confirm a figure, but the figure of £20 million has been routinely used in the newspapers and, presumably, has been briefed from her Department. Yet the overall police budget is being cut by £2 billion, the police counter-terrorism budget is still being cut in real terms and experienced counter-terrorism officers are being laid off through the A19 process.

I am concerned that the Home Secretary knows that there are troubling gaps in her plans. She has said that

> "in exceptional circumstances, faced with a very serious terrorist threat that we cannot manage by any other means, additional measures may be necessary…So we will publish, but not introduce, legislation allowing more stringent measures, including curfews and further restrictions on communications, association and movement…We will invite the Opposition to discuss this draft legislation with us on Privy Council terms."—[*Official Report*, 26 January 2011; Vol. 522, c. 309.]

What "additional measures" are these, given that control orders are pretty far-reaching? Does this mean that she knows already that there is a potential gap in security as a result of the new TPIMs? The Home Secretary has said she would consult the Opposition about these plans, but she has not yet done so. If new emergency legislation is needed to fill the gaps her own Bill creates, Parliament needs to know about this before we get to the evidence and Committee stage; otherwise we will be debating the Bill under false pretences, legislating only to legislate again.

This Bill is a con, recreating most of control orders while pretending not to do so, and it is risky, as some elements and changes water down the protection for national security, but there is a third problem: the Bill also reduces, rather than increases, parliamentary checks and balances on the Home Secretary. As I have said, the right approach to take to ensure that we protect civil liberties and national security together is to support strong powers for the police and security services to act in difficult circumstances, and to make sure that there are strong checks and balances to prevent abuse.

The current checks and balances on control orders are both judicial and parliamentary: the High Court has to approve every control order but Parliament has to give its approval every year for the control order regime to remain in place. Democratically elected MPs have to decide every year whether the terrorism threat remains sufficiently severe, whether anyone has come up with a better alternative and whether to allow the Home Secretary to continue to use these exceptional powers. That is an important parliamentary check on the exercise of Executive power which should continue to be unusual, yet she is removing it in this Bill. The power of the Home Secretary to impose TPIMs under this Bill is not a temporary one—it is permanent. TPIMs do not have to be renewed annually, as control orders do, and the TPIMs regime does not have to be renewed annually, as the control order regime does. This is therefore a serious downgrading of parliamentary oversight of a regime which is always supposed to be exceptional. She will know that serious concerns have been raised about this by Liberty, Justice and others, who say that far from representing a positive innovation, the TPIMs regime is, in one crucial respect, more offensive than the system it is designed to replace.

The Home Secretary is now in the astonishing situation of pleasing no one. She has a Bill that fudges the issue and does not fundamentally change the control order regime in the way that she and others promised its critics. However, it does water down some measures, worrying those who monitor national security, and it waters down the checks and balances that allow Parliament to prevent abuse, and that should worry this House.

The Opposition have very serious reservations about this Bill. Where possible, we want to support the Government on counter-terrorism. That is made more difficult when neither we nor the Intelligence and Security Committee have access to more detail about the risks in individual cases that would allow us to be reassured that the Home Secretary's judgments are right. We believe that it would have been better not to introduce this Bill at all. We believe that it is, in the main, unnecessary, that it includes elements that take risks and that it reduces accountability to Parliament. Now that the Government have introduced it, we believe that it needs a serious rethink in Committee. We will not vote against Second Reading tonight, but we will expect greater transparency on these measures, more answers to the questions we have posed and significant changes to be made to the Bill to reassure us about our concerns. Counter-terrorism is too important for us to take risks for the sake of political expediency. The Home Secretary should forget deals done to save face for the Deputy Prime Minister—it is beyond saving—and she should ignore the demands for short-term headlines from the Prime Minister, as in the longer term she has to carry the can.

6.39 pm

Kris Hopkins (Keighley) (Con): I want to concentrate on the impact of terrorism and anti-terrorism law on the relationship between the Muslim community and the non-Muslim community and between the Muslim community and the state. The Bill needs to be understood in the context of the Prevent agenda that was mentioned earlier, the relationship between the Muslim community and the police, the work of the security forces and international events, interventions and identity. There must be a question about what incited young British Muslim men to blow themselves up in British streets.

Perhaps it is right that we should look right at the root of some of those issues and ask whether people feel that they are British, whether we make them feel British and what it is to be British. In July 2001, I watched out of the windows of Bradford city hall as hundreds of mainly young British Muslim men ran through the streets of Bradford while mounted police and young, brave police officers fought to try to protect the city. More than 300 police officers were injured, £20 million-worth of damage was done to the city and its reputation was severely damaged. That action was undertaken by mindless idiots. It was not about race—it was not a race riot—but about thuggery.

It was interesting—these events were appreciated and understood by the community—that a few days later the local newspaper published the mugshots of some of the participants and the parents and family members brought those young men down to the police station and started the process of convicting them. That was a harmonious event among all the destruction and upheaval that was running through the community.

Later that year, in September, a meeting of the council's executive, of which I was a part at the time, was stopped and adjourned while we watched the second plane go into the twin towers. Those shocking events made the city reel. Our city was already uneasy with itself and braced itself for further fallout. The tension and suspicion were evident in the pub and the street and when one talked to friends; racists had a field day. What the terrorists wanted had happened and people were frightened. After the Iraq invasion, seen by many in the district as illegal, the dividing line with the Muslim community appeared even greater, so the community, led by the council and other agencies, set about mending bridges. Indeed, bridges were often created for the first time. For five years, there were school exchanges, people were brought together and cross-community sports were promoted. Areas were created where people could talk openly, speak honestly and speak their mind about issues, challenging each other. We were not naive about where we got to in that process, but it was important in building relationships.

The day after it was announced that London had won the Olympic games, four men, one originally from Bradford, blew themselves up and murdered many innocent people. That evening, all the main agencies met at the university, which then and since has played a huge role in promoting cohesion in the district. They were brought together to talk, to try and reassure each other and to ensure that we resolved that individual psychopaths would not damage our city further. Our resolve to work together was stronger than that.

In the days that followed, time and time again Muslim people came up to me and told me of their disgust at what had happened. Let me exemplify the feeling of fear. A couple of days after 7/7, an elderly friend of my mother's was crying as she got off the bus. A young Muslim man—completely innocent—was carrying a rucksack on the bus and she feared that she would die as a consequence. A whole set of tensions, fears, contradictions and events ran through the community as a consequence of those terrorist activities.

We need strong anti-terror laws, but they need to be owned by all the community. Many innocent citizens feel that the existing laws are somebody else's and we need to ensure that we do not make the same mistakes. As I outlined in my introduction, communities respond, adapt, learn and survive in the face of terrible events and today the Muslim community in my town is not listening to this debate—those people are getting on with their lives, like the rest of the community.

When I talk to people from the Muslim community, I hear that they feel battered. It is always the wider Muslim community—I know that is a generic term to use—that feels pursued. Good people who have no hatred in their hearts are looked on with suspicion by others and have been subjected to some of the knee-jerk reactions. I agree that it was difficult to start the Prevent agenda with a blank piece of paper and although I was extremely critical of it, I take it in good faith that it had to be started somewhere. The idea behind national indicator 35, which planned to map a specific community, had a huge impact and was seen as a hugely derogatory gesture.

I have seen reports in the paper that doctors will be asked to report if they spot somebody who is acting suspiciously. My chief executive was brought to London and was told that the binmen had to look out for bombs and devices. Good-minded, good individuals, if they spot a bomb, a device or something suspicious, do not need the Government to ask them to pick the phone up and tell somebody. They do it because they are good citizens of this country.

In conclusion, any anti-terror law must protect its citizens from ideological psychopaths who threaten to destroy society and the values that define it. One fundamental problem, as the Prime Minister has pointed out, is that there are differences in certain values to do with such issues as equality, human rights and corruption. The Government have the difficulty of achieving a balance between ensuring safety and not alienating communities from one another. The aim of a coherent society cannot be achieved to the detriment of one part of that society.

People can seek to integrate, respect each other and even to develop shared ownership of important laws such as the one we are talking about today without compromising their principles. I want the Muslim community to feel safe, to be successful and to play a full part in British society and this Bill must be made law to help and to enable and not to hamper that aim.

6.48 pm

Paul Goggins (Wythenshawe and Sale East) (Lab): It is a pleasure to follow the hon. Member for Keighley (Kris Hopkins), who, early in his speech, mentioned the 9/11 attacks. In three months, we will mark 10 years since those horrific attacks took place in America. At that time, I undertook the role that is now undertaken by the hon. Member for Crewe and Nantwich (Mr Timpson); I was Parliamentary Private Secretary to the then Home Secretary, my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett). Over the following nine years, in that role and as a Minister in the Home Office and then the Northern Ireland Office, I worked closely with successive Home Secretaries and other Ministers who were seeking to deal with the deadly threat that was emerging from international terrorism. There was no book on the bookshelf entitled, "Rules of Engagement with al-Qaeda", but I saw every one of those Ministers make every effort to defend the people of this country against new forms of international terrorism, including the dreadful prospect referred to by the hon. Member for Keighley of the so-called home-grown terrorists who are prepared to blow themselves up as well as their victims.

The debate that has gone on since 9/11 has created great tensions in the Chamber and outside it as we have tried to balance and rebalance the equation between individual liberty and collective security. The previous Government received much criticism for the measures they brought forward but I believe that, without exception, the Ministers who introduced those measures did so with total integrity. The current Home Secretary also displays that integrity and she has my full support in taking the difficult decisions that she has to take about specific individuals.

Jeremy Corbyn (Islington North) (Lab): In my right hon. Friend's years in the Home Office, in which he must have been involved in many discussions about anti-terrorism legislation, how much consideration was given to the implementation of the criminal law in open court rather than the creation of a series of special courts, special measures and all the suspicion that surrounds them?

Paul Goggins: Considerable consideration was always given to those issues. As the Home Secretary said earlier, prosecutions should always be brought where possible. Those who engage in terrorist activity should feel the full force of the law and where possible—where the evidence is there—they should be convicted and go to prison for a very long time. The problem is that sometimes the evidence and information that the Home Secretary and other Ministers have is not enough to secure a prosecution because much of it is protected or secret information that could not, of itself, sustain a successful prosecution. That is the territory we are dealing with, but I assure my hon. Friend that that consideration was always at the foremost of Minister's minds at that time.

Mr David Winnick (Walsall North) (Lab): I have the highest respect for the work that my right hon. Friend undertook during his time at the Home Office. I have tried to get a parliamentary answer to my question, but I did not get anywhere. I understand that no one who has been subject to a control order has later been charged with a terrorist offence. That seems rather odd and, if I may say so, rather disturbing.

Paul Goggins: My hon. Friend has well-known views on this issue and has expressed them frequently in the Chamber from both the Government and Opposition sides over the years. He forms his own conclusions but my conclusions about such individuals is that they are a small group of people for whom it is necessary to have some form of control outside the normal judicial process because of the risks that they pose. My hon. Friend has put forward his point of view on this before and he has strong views—I respect that.

Naomi Long: The right hon. Gentleman's experience in Northern Ireland will also colour his view on these issues. One of the experiences that we had is that the use of unusual measures can often act as a rallying point for radicalising other young people, rallying them behind the cause, because people are seen as being persecuted rather than being tried under the law. Does he agree that such experiences show that these measures should be seen as unusual and that, for this reason, their ratification each year in Parliament is an important part of reinforcing that?

Paul Goggins: The hon. Lady speaks with great authority on this issue and I agree with every word she says. These powers—whether the control order powers that have been in place up to now or the new powers that the Home Secretary is bringing forward—should be used absolutely exceptionally and we should always bear in mind the risk that the hon. Lady mentions that their use can become a rallying point and can assist in the radicalisation of people whom we are trying desperately to keep in the mainstream of society. That should always be kept in mind. These powers should not be used generally; they are very specific powers to be used in very specific circumstances.

Let me deal with the circumstances in which the powers should be used. We are talking about a small group of individuals who are suspected of involvement in terrorist activities and who are either foreign nationals who cannot be deported because of a ruling of the European Court of Human Rights or they are individuals who cannot be prosecuted successfully because, as I said earlier, the compelling information about them is secret intelligence that could not alone sustain a successful prosecution. Over the past six years, control orders have been the best—some have used the expression "least worst"—set of powers to deal with that group of people.

As I have said before, we should always seek to gain consensus in the House on the important issue of counter-terrorism. The formation of the new Government last year gave us all an opportunity to reflect on the previous decade and see whether changes were required that would bring greater consensus and get an even better balance between individual liberty and collective security. I have changed my mind about pre-charge detention, having previously voted for 28 days and, indeed, for 42 days. I agree that the normal maximum should now be 14 days, provided that in exceptional circumstances it can be extended to 28 days. I am currently serving on the Joint Committee that is considering the emergency legislation that the Government have brought forward on this, and I have changed my mind on this issue.

Mr Winnick: Did I persuade you?

Paul Goggins: My hon. Friend is always very persuasive—one way or the other.

One area of policy on which I remain absolutely clear is the need to be able to control the activities of that small group of people who pose a serious threat and who cannot be deported or imprisoned, and I am pleased that the Government appear to have come to the same conclusion. We should seek consensus. There is much in the Bill that I can readily support. Conditions A to E, which are set out in clause 3, are welcome. They confirm the need for these TPIM notices to be focused on protection and prevention and they provide that the terrorism-related activity must be new activity. However, it is important that when a first application for a notice is made, that new activity can well predate the application.

A general time limit of two years is not unreasonable given the provisos that further notices can be made if there is new activity and that where a further notice is made, the older activity can be taken into account in addition to the new activity of which the Home Secretary has become aware. However, I caution her and her ministerial colleague against making that a general rule which can never be excepted. As I said about the maximum pre-charge detention period of 14 days, there might be exceptional circumstances. I hope that the Minister will be prepared, in Committee, to see whether some amendments can be framed to allow extensions beyond two years in specific and exceptional circumstances.

On making the powers permanent, I heard what my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) said about that reducing parliamentary oversight, but we could also see it as a positive development if Parliament can reach a consensus and settled view. Given the constant arguing and bickering on this issue year after year when we should be seeking

consensus in the face of the terrible threats that terrorists bring, there is some merit in Parliament's reaching a settled view. There is a balance to be struck.

I agree strongly with condition A, that the Secretary of State must have a reasonable belief

"that the individual is...involved in terrorism-related activity".

That is a higher threshold than the reasonable suspicion threshold that has previously operated for control orders, but in reaching my conclusion I have referred to the opinion of Lord Carlile in his most recent report that the higher threshold of reasonable belief was, in practice, always achieved anyway for each control order that was taken out under the existing system. It is a standard that was already being met, and I see no problem in including that formally in legislation.

It is right, given that we have six years' experience of operating control orders, to set out in more precise form the measures that can be imposed as part of the new TPIM notices. Schedule 1 includes a list of measures, including accommodation, travel, communications, association and so on. I urge the Minister to see whether there ought not to be a catch-all power, because there may be a condition that is not caught by schedule 1. It might be sensible to leave an opening so that the Home Secretary can impose such a condition if circumstances allow. It is not a power that I would expect to be used frequently, but if we do not have that power, and unusual circumstances occur, there is nothing we can do about it. Perhaps that is something that could be considered.

I have four serious difficulties with the Bill and in relation to other pertinent issues. The first was mentioned by my right hon. Friend—the overnight residence measure. She was right to point out that in schedule 1, which says that the Secretary of State may impose a requirement

"applicable overnight...for the individual to remain at a specified residence",

there is no definition of "overnight". It may be possible to go into that in Committee to see whether it is possible to include something a little clearer.

The really important issue is the specified residence itself. My right hon. Friend made a powerful argument in relation to that. Paragraph 1(3) says that the specified residence must be

"premises that are the individual's own residence, or...other premises...that are situated in an appropriate locality or an agreed locality."

An appropriate locality is one in which the individual has a pre-existing connection. In the case of CD, which my right hon. Friend mentioned, it would not be possible under the new legislation for the Home Secretary to impose the conditions that she rightly imposed on the control order governing that individual. If it is possible, I would welcome an explanation on that from the Minister in his winding-up speech.

Let us reflect on who CD is: a leading figure in a close group of Islamist extremists based in north London. That conspiracy of individuals was planning attacks and seeking to acquire weapons. He was a real threat, and the Home Secretary was quite right to take action, and to insist that he live in the west midlands. It is not just me who says so, as Mr Justice Simon supports her view. My right hon. Friend made it perfectly clear when reading from paragraph 53 of Mr Justice Simon's judgment that the relocation obligation is a necessary and proportionate measure to protect the public from an immediate and real risk of a terrorism-related attack. The Bill as drafted would not allow the Home Secretary to force that individual to live outside London in the west midlands, and the people of London and elsewhere would be at much greater risk if she could not do so.

My second concern relates to electronic communication, which is dealt with in paragraph 7. Sub-paragraph (1) sounds quite tough, as the Secretary of State may impose

"restrictions on the individual's possession or use of electronic communication devices".

However, under sub-paragraph (3), each suspect may have

"a telephone operated by connection to a fixed line...a computer that provides access to the internet...a mobile telephone that does not provide access to the internet."

To be honest, I am concerned that that demonstrates naivety about the sophisticated operations of international terrorists. They use multiple mobile phones, and will run rings round the measure, unless paragraph 7 is toughened up and made much more specific and much less confusing. There is a real job of work to be done by the Committee.

Dr Huppert: Does the right hon. Gentleman realise that one purpose of the measure is to enable more evidence to be gathered for prosecution? The point of allowing people to have that communication is partly for the sake of civil liberties but partly because it can be monitored. What we want to see is prosecution, not indefinite or even two-year detentions.

Paul Goggins: If the hon. Gentleman thinks that an international terrorist is sitting there thinking, "Thank goodness they have given me the internet so I can reveal all my contacts and conspiracies," he is quite naive. We are talking about highly sophisticated people, and I am concerned that the provisions in paragraph 7(3) are not as sophisticated as they need to be to deal with the threat.

Tom Brake: The right hon. Gentleman has said that international terrorists are not going to use their internet access, because they will not want to reveal their deals, so what is the problem with providing internet access in the first place?

Paul Goggins: The hon. Member for Cambridge (Dr Huppert) was saying that international terrorists would rush off and use it and reveal all their sources and contacts to the authorities monitoring the measure. I shall make the point again: I do not think that the provisions as set out reflect the sophistication with which international terrorists operate.

My third difficulty relates not to the Bill but to a wider issue that is significant to the powers in the Bill—the whole business of rules on the disclosure of evidence. I welcome the fact that under the Bill there will still be closed hearings which can continue as before under control orders. That is needed, because if a judge is going to review the material or hear an appeal from a particular individual, he must consider the information available to the Home Secretary when she made the initial application. If some, if not all, of that information has to be protected, that must be done in a closed hearing. Special advocates will still be needed. The gist of the case must be provided to the individual.

[Paul Goggins]

As we recognise, however, the AF judgment makes it increasingly difficult to protect what in the interests of public safety and national security must remain secret information. That issue caused problems for the previous Government, and it has caused problems for this Government. It has ramifications for our relations with international partners with whom we share important information and intelligence. I applaud the fact that the Government are seeking to address that problem and deal with it in the Green Paper. May I tell all Front Benchers that we should do everything we can to resolve the issue, because if we do not do so the TPIM system will simply not work, as there will be an ever stronger demand that information that should remain secret is revealed in open court to the individual concerned? It is important that we resolve that issue so that we know what can be disclosed and what can be protected.

Jeremy Corbyn: I thank my right hon. Friend for giving way again. Does he not accept that there is a major concern about anti-terrorism legislation with special courts and special advocates, and in which information is withheld from the defendant? The barrister acting on behalf of the defendant is not allowed to reveal to them the nature of the evidence or the case against them. Therein lies a road to something very, very dangerous in a democracy that prides itself on open prosecutions and open justice, and thereby a much wider acceptance of the judicial system and the rule of law.

Paul Goggins: My hon. Friend again makes his point with great care. Of course, these are exceptional powers that should be used sparingly. We have all this apparatus in relation to control orders to ensure that the suspect's interests can be protected. That is why we have special advocates who can consider the information and argue on behalf of the suspect. *[Interruption.]* Does the hon. Member for Cambridge wish to intervene?

Dr Huppert: I should be delighted to do so, and I thank the right hon. Gentleman for giving way. The problem is that the special advocate is not allowed to communicate the nature of that evidence to the person involved. That fundamentally means that they cannot advocate fairly on behalf of their client.

Paul Goggins: It is true that special advocates cannot share the intelligence directly, but they are there to represent the interests of the individual. To the hon. Gentleman, that might not be a perfect solution, but it is better that the individual has somebody to speak for them than nobody to speak for them. That is why that system was introduced.

I say again to my hon. Friend the Member for Islington North (Jeremy Corbyn), who put his point very fairly, that these are exceptional mechanisms to assist in making sure that the rights and interests of the individual are protected, but in the end, the entire Bill is designed to ensure that the rest of us are protected against the threats that those individuals pose. We must not forget that. As we have these debates about the liberty of the individual, we must balance that against the need for the protection of the wider public. That is the dilemma that goes right through the debate. We should never lose sight of one or the other side of that argument.

My final point is whether the whole new TPIM system represents the same level of risk as we had with control orders or a greater level of risk. I can only assume that the Home Secretary believes there is an increased risk from the new TPIM system, otherwise why would she be committing a serious level of resource—whatever that level is—to the police and the Security Service to help them deal with the additional work and the additional pressures that will result from the new system?

I was somewhat concerned to hear the Home Secretary quote Jonathan Evans as saying that the additional money would—I think she said—mitigate against the additional risk. That is an interesting phrase worthy of further exploration. I am extremely concerned that new gaps will open up. The question is whether there will be sufficient resource to fill those gaps and whether those gaps will pose an additional risk. No one in the House should be complacent about the possibility of an increased risk. I know that the Intelligence and Security Committee on which my right hon. Friend the Member for Salford and Eccles (Hazel Blears) and I sit will take a very close interest in that.

I am sure that the last thing this Home Secretary would want to do is increase the risk to public safety. I mean that genuinely and sincerely, but Parliament must help her. One immediate way in which it can help is by tightening up the Bill in the way that I have suggested and as others will, I am sure, suggest, and then by monitoring closely what happens when the Bill and any amendments that are added to it are put into practice.

7.12 pm

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to follow the right hon. Member for Wythenshawe and Sale East (Paul Goggins), who drew on his experience and made some sensible contributions to the debate. I diverge from his view, however, on the point that my hon. Friend the Member for Cambridge (Dr Huppert) made about communications. The point about allowing people to have access to mobile phones, the internet or fixed lines is that there are indeed some intelligent potential or actual terrorists, but equally there are some rather stupid terrorists who may use those facilities and make the sort of connections that would facilitate a prosecution. That might be one of the purposes of making communications available to them.

The Bill is welcome. It starts to tackle some of the grossest abuses of human rights that existed under the control order system, but I would like it to go further. For instance, on prosecutions, the right hon. Member for Wythenshawe and Sale East referred to the fact that there would be additional resources for covert surveillance and intelligence. My understanding is that that will be used to secure prosecutions, which is welcome. More could be done to secure prosecutions, and we may want to return to that at a later date. I am pleased that the Government are not afraid of improving Bills where and when that is necessary.

I do not agree with Liberty's contention that the Bill is worse than the control order system that is currently in place. It is not; it is more targeted. Liberty's argument seems to be centred on the fact that although control orders are continually on the political table because of the sunset clause that calls for an annual review and the

associated parliamentary oversight, the effect of the Bill would be permanent. That is true. However, control orders have been debated annually and renewed year after year, whereas TPIMs are limited to a maximum of two years, following an initial period of one year.

The right hon. Member for Wythenshawe and Sale East argued that the Government should allow TPIMs to go beyond a two-year period. My understanding of one of the arguments deployed in favour of control orders is their ability to disrupt. One would expect that after a two-year period of a lack of communication or of controlled communication, the disruptive nature of control orders would have had an impact and broken down those networks. The right hon. Gentleman may have been arguing for TPIMs to be applied indefinitely to ensure that that disruption was permanent and took place over a longer time scale. My view is that disruption would have taken place within the first two years and the links would have been broken. To suggest that TPIMs should be extended beyond two years presents a threat from the civil liberties perspective.

Mr Gerry Sutcliffe (Bradford South) (Lab): There is a case of somebody being subject to a control order that has been in effect for more than two years. If the advice of the Security Service is that it should continue, what would the hon. Gentleman say?

Tom Brake: I thank the hon. Gentleman for his intervention. If there has been no evidence of any activity whatever during that period—TPIMs would allow for the measure to be imposed again if there was some sign of activity—and if there has been no activity, with the additional surveillance that will be provided, one must question the Security Service's position. It might want to keep the person under a control order indefinitely, but if there is no evidence of activity surely the hon. Gentleman would agree that a line must be drawn. Given that the person had not undertaken any terrorist activities, the disruptive effect would have been felt and no further application of a control order would be appropriate.

As I said, control orders have been debated annually, and they have been renewed annually.

Naomi Long: Control orders having to be debated annually gives Parliament the opportunity to reconsider the situation before deciding whether to continue. The fact that up to now the control order system has been renewed on each occasion does not mean that it would be so indefinitely. Does it not make sense that we should continue to treat these measures as exceptional, rather than routine?

Tom Brake: I thank the hon. Lady for her intervention, which is a very sound one. I hope, and I am sure that the Minister will confirm this when he responds, that because counter-terrorism legislation is so essential, the Government will want to keep it under review, and that if, in future years, there is a need to adjust the measures, appropriate adjustments will be made.

What are the other objections to TPIMs? There is the question of whether there is any difference between reasonable belief and reasonable suspicion. It is my view that the Bill presents a higher evidential hurdle. The courts are aware of that, and they know the difference between those two. That difference is significant.

I acknowledge that TPIMs maintain a system of Executive-imposed measures that do not lie comfortably inside the judicial system. The Bill imposes measures that restrict freedom and human rights. As hon. Members know, those measures include but are not limited to overnight curfews, restrictions on travel, exclusion from certain places and buildings, and restrictions on electronic devices. It has been argued by the Opposition and by Liberty that these measures simply reflect the most offensive aspects of the control order system, but I do not think that that is the case. Clearly, in relation to relocation, internal exile, which the Soviet Union would have been very comfortable with, has gone.

Jeremy Corbyn: Does the hon. Gentleman not have some concerns about the successive non-debate of this issue by Parliament and the fact that a defendant with a two-year TPIM might never know why it was imposed and never have the evidence given to them? All they know is that they have a barrister who does know but is not allowed to tell them and that the judge knows but is not allowed to tell the barrister. Therefore, a circle of secrecy surrounds something that has a major impact on a person's life, is career-changing, and so on. Is that really right in a liberal democracy?

Tom Brake: The hon. Gentleman might not be surprised to know that I agree with much of what he says. If my hon. Friend the Member for Cambridge (Dr Huppert) has an opportunity to speak, he might echo that very same point. That is why the Bill is clearly an improvement on what is in place now, but has scope for further improvement. I am sure that we will return to that in this place and perhaps in the other place.

Pete Wishart: Does not the hon. Gentleman understand and appreciate that those of us who cannot stand these things think that the Liberals have compromised too cheaply on these issues? I remind him that his leader said:

> "A battery of curfews and tags, imposed in a legal limbo at the behest of politicians, is no surrogate for the aggressive use of the full force of the law."

Why have the Liberals caved in so cheaply on these issues?

Tom Brake: I hope to explain why I do not think we have caved in cheaply, as the hon. Gentleman stated. First, relocation has gone. I accept that on overnight curfews I would be much more comfortable with what Liberal Democrats have referred to previously as residency requirements. An address would be identified at which the person would be expected to reside. I hope that the fact that there is no specific definition of overnight curfews will lead to a more flexible approach; that there might be a spectrum according to which overnight curfews may be imposed, going from what most would regard as overnight—eight or 10 hours—through to something much closer to a residency requirement. If overnight curfew was specified precisely, the risk is simply that that is what would be adopted in all cases, so there would not be the ability to consider each individual case in detail. In addition, the exclusions are specific, not geographic as previously, and there is access to telephones, computers and the internet, a matter that was raised by families in relation to their children and their ability to use computers for schoolwork, and so on. Those are real changes that are included in the Bill.

[Tom Brake]

Another area of concern that has been flagged up and to which the hon. Member for Islington North (Jeremy Corbyn) referred is the extent to which the person subject to TPIMs will know what they have been accused of. The Home Secretary said that the individual will know enough about the key elements of their case to enable them to act. That is worthy of further discussion and elucidation. I see the Minister nods and perhaps when he responds he will be able to say more about what this will mean in practice. Clearly, it is an ongoing issue for Liberal Democrats, the hon. Gentleman and others to ensure that people who are subject to control orders or will be subject to TPIMs know as much as possible about the allegations against them without revealing the confidential sources that could put at risk people in the field.

Hazel Blears (Salford and Eccles) (Lab): Is the hon. Gentleman aware that there have been a number of legal decisions that now require the person subject to a control order to be informed of the substance of the case against them? It is not something new; that is the legal position.

Tom Brake: I am awate that there have been cases where that has been the outcome.

I am sure that the Minister will want to pick up that matter when he replies. I also hope that this will give him an opportunity to update us on intercept evidence. I understand the difficulties in balancing the operational requirements with the legal requirements and in balancing the scale of benefits with the associated costs, but I hope that he will update the House.

I referred to prosecutions in relation to surveillance evidence. It might be helpful to specify a time frame within which a prosecution must be brought. There may be some scope for moving on that in future debates.

I come now to a couple of subjects that I suspect will not necessarily boost my popularity in certain quarters, but having advocated the importance of voting rights for some prisoners my popularity might not be in the ascendant in any case. It is important to treat in a civilised way those who may wish to inflict death or injury on us in order to expose their barbaric nature. That is why we need clear safeguards for those who are extradited to the UK. If people have suffered torture abroad and are subsequently moved to the UK, on their arrival the UK Government have an important role in assessing any health or mental health implications that should be taken on board. There is also the ongoing issue with regard to the role of the control order review group, which the Government will ensure continues in operation under TPIMs, in reviewing the mental health of people subject to control orders and now to TPIMs. It has that role at present, but from the discussions that I have had with those who have been subject to control orders that have subsequently been quashed it does not seem to be working very effectively.

Jeremy Corbyn: The hon. Gentleman makes an important point about people who may have been subject to torture in other jurisdictions. This is a controversial issue, but does he agree that we should not deport people to a jurisdiction that has not signed the UN convention on torture, and that they should remain here until such time as that jurisdiction signs it, rather than the unfortunate arrangements that were made with a number of countries in the past?

Tom Brake: That is a difficult point to address. I know that there are concerns about how watertight memorandums of understanding are, if that is what the hon. Gentleman is referring to. It is a tough call. I am at risk of making policy on the hoof if I give an instant response. It is a difficult issue and the hon. Gentleman is right to raise it. Perhaps when the Minister responds he will say whether the UK Government are making progress in drawing up memorandums of understanding with other countries where we believe that the safeguards are sufficient to allow that.

There are some issues around how people subject to TPIMs are dealt with, and what sort of assessment is made, particularly of their mental health, and any torture that they may have experienced in the countries that they come from.

I will support the Government on Second Reading. The Bill is better than its predecessor. Its measures are more targeted, less damaging to individuals subject to TPIMs and more observant of human rights. But it is not perfect and can be improved, and I hope that it will be during its passage here and in the other place.

7.29 pm

Hazel Blears (Salford and Eccles) (Lab): I am grateful for the opportunity to contribute to the debate this evening and I think that all the contributions made so far indicate how serious the issues we are dealing with are and how difficult for everyone, whichever side of the House they are on, because it is a case of trying to weigh the balance and make some very difficult judgments. When dealing with matters of national security, it is important that we try as far as possible to reach a consensus, because these matters are incredibly important for the country, and that we try to start from the evidence base, which in my experience leads to better decisions on where the balance of judgment should rightly lie.

I want to think about the evidence we face at the moment. First, that concerns the nature of the threat. Sometimes these issues are discussed in the abstract and are not necessarily rooted in the reality of the threat that the country faces. For some years the threat level has been "severe", which is only one step down from "imminent". That means that this country faces a very significant threat from al-Qaeda and al-Qaeda-inspired terrorism, often originating abroad but also involving people who were born and brought up in this country and are enmeshed in a series of worrying plots. It is important to put on the record the nature of the threat that the country faces.

Secondly, we should consider the extent of the problem. People sometimes feel that, because we have been dealing with this threat for 10 years and have had the control order regime in place for the past six, the extent of that threat has somehow reduced. At any one time, the security services are dealing with tens of plots, which are often very complex and interrelated, with a web of international and domestic actors and many technologies, and involving incredibly complex organisations. Between

1,600 and 2,000 known terrorist suspects are involved in these plots, and those are the ones we know about. There may well be other organisations, other plots and other individuals who, as we speak, are intent on organising the kind of terror that can wreak mayhem and destruction on our communities. The sustained nature of the threat and its extent ought to be a backdrop to some of the difficult decisions that we have to make with regard to this legislation.

There is therefore a clear need for surveillance and the gathering of intelligence and evidence on the intentions and actions of those involved in planning and conducting terrorist operations. It is of course right, as my hon. Friend the Member for Islington North (Jeremy Corbyn) and others point out in an eloquent and genuine way, that in a free democracy such as ours we should always seek to bring those involved in terrorism before the criminal courts. That should be our starting point. We should bring prosecutions where the evidence can be adduced and tested, where witnesses can be cross-examined and where a jury can reach a verdict on whether the accused is guilty or innocent. That must be the starting point in any democracy—that we have a criminal system that allows all that to be done as openly and transparently as possible.

One of the reasons we brought in some of the new offences now on the statute book, such as committing acts preparatory to terrorism, was to enable us to interrupt plots at the earliest possible stage and still be able to bring a criminal prosecution and go through the conventional criminal system and bring those people to justice. Those offences have been very useful in giving the police powers to interrupt early and ensure that they disrupt the plot and prevent any damage while still using the conventional criminal justice system, which is obviously what we want to encourage.

However, we must recognise that there are—and, unfortunately, likely to be for the foreseeable future—a small number of people involved in terrorism who pose a serious threat to the safety of our citizens and country and who cannot be brought within the ambit of the conventional criminal justice system. Much as we may dislike it, that is the situation we face. For several years there have been discussions, or attempts at discussions, between various Home Secretaries and Ministers and the judicial system, and in many cases the judiciary have been reluctant to engage in any discussions on whether the way the criminal justice system operates can be amended. I understand their reluctance because of the separation of the Executive and the judiciary, and they want to avoid confusion, but I feel that the criminal justice system is not necessarily able to cope with the nature of the threat and the offences we face in the world we now live in.

Many of the suspects cannot be subjected to the traditional judicial system because to do so would mean bringing forward intelligence and evidence that could put at risk the lives of those who seek to protect us. We cannot allow that intelligence to be revealed as doing so would reveal those agents and their personal security would be jeopardised. Those people put their lives on the line for the people of this country and we have a duty to protect them. Bringing forward that intelligence would also reveal the surveillance methods and techniques that the security services often use to gain it, which would also undermine their ability to keep us all safe.

Control orders have been used in a small number of cases and I think that we should get that number to its irreducible minimum. We imposed only 48 control orders in the six years that they have existed and there are only eight or 10 now in place. It is a very tightly managed and controlled regime, so those powers are not sprayed around and used loosely as a way of rounding up the usual suspects. That is absolutely not the intention. I am afraid that the reality, which we should all be grown up enough to acknowledge, is that the threat we face is such that we have to have a system that, however distasteful we as democrats find it, can protect the people for whom we are responsible.

It was for that reason that in 2005 the then Home Secretary and I, as the Minister responsible for policing and counter-terrorism, brought forward the original control order legislation, which the Bill seeks to alter in some significant respects. I will never forget bringing forward that legislation. I remember being in this House at 4 o'clock in the morning debating that hugely contested legislation. In some ways that was very difficult, but in others it was very encouraging as it indicated the depth of commitment on both sides of the House to a free democracy in which people felt strongly about those issues. I was very glad when we finished at 10 o'clock that morning; nevertheless, it was an inspiring occasion and a good one for the House.

I want make it crystal clear to the House that, whatever some Members might say, that original legislation was not introduced in some kind of knee-jerk overreaction to the events of 9/11 or 7/7. It was a genuine recognition of the inability of the criminal justice system to accommodate the situation we faced. I am a lawyer and I have huge respect for the rule of law—

Paul Goggins: Steady.

Hazel Blears: Steady on, absolutely.

I also know how important it is to have a practical and workable system in place. We must ensure that those who pose a significant threat to ordinary people's safety can be tracked and prevented from pursuing their plans to cause death and serious harm in pursuit of their warped political ideology.

We all want to achieve consensus where we can, but I have some serious concerns about some of the Bill's proposals, with regard to their effectiveness, their ability to disrupt those who will be subject to TPIMs, as they are so elegantly called, and whether they will provide us with a proper level of security. Lord Carlile is always called in aid in these debates, and I want to place on the record my thanks to him for the fabulous job he has done over the years as the Government's independent reviewer of terrorism legislation. He said just last year:

> "In stark terms, the potential cost of losing control orders is that the UK would be more vulnerable to a successful terrorist attack."

He does not say such things lightly. He has huge experience in trying to weigh the balance and get the judgment right. He also said:

> "Unless control orders were replaced by some equally disruptive and practicable system... the repeal of control orders would create a worryingly higher level of public risk."

We ought to have serious and close regard to what Lord Carlile has said and test the Bill against the concerns he has expressed.

[Hazel Blears]

In a powerful contribution, my right hon. Friend the shadow Home Secretary expressed her concerns about some of those issues, so I will not speak about them at length. The relocation issue is a genuine concern. It may be characterised as internal exile or a soviet-style imposition, but if it is necessary for someone to be located away from the networks that they have established in order to improve the safety of ordinary citizens, I do not think it should simply be ruled out on principle.

We have discussed whether access to mobile phones and computers might enable us to obtain further evidence for prosecution, but I am very doubtful that it will. I am concerned that people will have access not simply to one mobile phone: once they have one, it will be very easy indeed for experienced people not to dupe the security services, as I hope they are not capable of being duped, but to create the sense that it is normal to have access to a computer and a mobile phone. The prospect of a security risk is therefore higher than I would feel comfortable with, so I seek reassurance from the Minister on access to electronic equipment. We know how much terrorist business is done online and with technology. It is a massive issue for us, and this measure could present us with an increased risk.

Dr Huppert: Has the right hon. Lady spoken to the right hon. Member for Wythenshawe and Sale East (Paul Goggins)? He was concerned that those people simply would not use such equipment so we would not get any information. One cannot have it both ways. If those people are going to use such equipment and are capable of duping the security services, or whatever term the right hon. Lady wishes to use, they might be doing it now, just like those who abscond. Surely this is a more liberal measure that will also help with prosecutions.

Hazel Blears: But that is no reason to relax the powers. If there are fears that such activities could be happening now, I should be very concerned indeed and certainly would not want to go down the path of having less control over access to electronic equipment. I require further reassurance, as do the citizens of this country, that we are not going to give people access to mobile phones and computers so that they can maintain those relationships and networks that are the very reason they are subject to a control order or, indeed, will be subject to a TPIM. We require further reassurance on that issue.

I am very concerned about the inability to renew the TPIM after two years. In the case of AM in 2007, the control order lasted for more than two and a half years. When it came up for renewal Mr Justice Wilkie, confirming its renewal after two and a half years, said that AM was

> "highly intelligent, calm, cautious beyond his years. He has replied and maintains this degree of calmness and self-confidence, which in my judgment is consistent with the view of the Security Service that he is a disciplined, trained and committed person whose commitment remains unimpaired, despite the length of the control order. He was and remains prepared to be a martyr in an attack designed to take many lives. He remains highly trained, security conscious and committed."

I am therefore concerned that if there is a blanket prohibition, in any circumstances and without the addition of new evidence of involvement in terrorism such orders will come to an end. I require further assurance. If the reason for making the TPIM in the first place were of sufficient seriousness, I would be extremely concerned about our deciding simply to say that there is an arbitrary cut-off point, as the legislation does, irrespective of the threat that the person poses.

Tom Brake: What does the right hon. Lady think would be a reasonable period, if there had been no activity whatever, for a TPIM to apply to somebody?

Hazel Blears: These are matters for careful and balanced judgment, which is why we have constant judicial oversight, why we have to return to the courts to renew our orders and why we have a legal system in this country which is capable of making such judgments. If we are in the hands of a respected, experienced and knowledgeable High Court judge, who has heard submissions on the issues, I should feel slightly more content than if an order simply came to an arbitrary end as a result of legislation passed in this House.

Pete Wishart: If that individual is so dangerous, why do we not just arrest him, charge him and throw the full force of the judicial system at him?

Hazel Blears: I am delighted that the hon. Gentleman has asked me that question, because this is where we end up in a sort of tortuous circle. That individual has not been charged because the intelligence against him does not comprise evidence, has been gained by covert surveillance and cannot be revealed in court, as it will put at risk either the lives of the agents or their techniques. We know that this person, as Mr Justice Wilkie said, remains a trained and committed martyr to the cause and is prepared to carry out further attacks, but, because the individual cannot be prosecuted through the conventional criminal justice system, the hon. Gentleman's decision would be to let him walk free.

That is the judgment that has to be made, and that is why these issues weigh so heavily on the people who have to make the decisions, people such as the Home Secretary, who has to make those decisions in individual cases. They weigh incredibly heavily on all of us and are not lightly taken, and that is why we need a system of checks and balances. An arbitrary limit of a two-year TPIM in every single case would cause me concern if the original threat still existed.

My final concern, on which I have not received reassurance, is the extra costs of surveillance, because there will need to be greater surveillance if TPIMs conditions are substantially lighter and less invasive than those of control orders. Next year we have the Olympics, which will be a massive drain on the resources of the security services. That is acknowledged throughout the system, so I want significant reassurance from the Minister about the ability of the security services to maintain the same assurance to the citizens of our country through TPIMs as they have through the control orders system. I am not satisfied that that is the case.

The control order system had more measures to disrupt people's ability to organise their networks. Surveillance does not take the place of disruption, because it is a different technique of a different order, and, as Lord Carlile says, unless there is a system of disruption as well as surveillance, he has concerns about the effectiveness of the regime, as do I. The security

services say that the extra resources would mitigate the risk, as my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins) has said, and it is incumbent on the Government to give us such reassurance.

We must remind ourselves that the people who have been the subject of control orders are not law-abiding, innocent citizens going freely about their business. By their very nature, they are dangerous people who pose a real threat to our safety, and the measures must be sufficient to reassure people properly that the system is sufficient to control the movements of such individuals. Surveillance is not as effective as disruption, so we need to do more to ensure that disruption takes place.

In all my years as a Home Office Minister, and through my work in the Communities and Local Government Department, control orders have represented some of the most difficult decisions I have had to make, because they go to the heart of our democracy. Our freedoms are incredibly hard won, and none of us wants to give them up lightly at all. I talked to a senior member of the judiciary a few weeks ago, who said passionately and in a very committed way, "Hazel, whenever there's a decision to be made between liberty and security, I will always, always err on the side of liberty," but it is more complicated than that.

We cannot simply say that we would always make the decisions in that way. We might do in theory, in academic practice and, certainly, in terms of our values, but we are faced with making a decision that must balance security and liberty, the security of ordinary people seeking to go about their daily lives, as against the liberty of people for whom there is a great deal of intelligence to say that they are dangerous and dedicated, because of their political ideology, to causing mass harm and death among the community at large. That is an incredibly difficult decision, but sometimes it is portrayed as an easy one.

Of course, we do not want to restrict people's civil liberties or to introduce a punitive, repressive or oppressive regime, but the alternative is to allow people who pose a severe and dangerous threat to our country to walk our streets. Those decisions are hard to make, and I just ask the Home Secretary and the Under-Secretary of State for the Home Department, the hon. Member for Old Bexley and Sidcup (James Brokenshire), who is on the Treasury Bench tonight, to think really hard, as I know they will, about whether their proposed regime is sufficient to give the people of this country the reassurance that they deserve, and to ensure that that tiny minority of people who are subject to a regime are not able to continue to pose the threat of damage, death and destruction to the people of this country. I look forward in Committee to the Minister giving us a great deal more reassurance than I have had this evening.

7.49 pm

Patrick Mercer (Newark) (Con): It is a pleasure to follow the right hon. Member for Salford and Eccles (Hazel Blears), who brings to this subject not only a great deal of common sense but a great deal of experience. As she said, our liberties depend on our security. The two are inextricably linked; we cannot have one without the other.

As the right hon. Lady also rightly said, we sometimes lose the sense of why we are here having these debates in the first place. Over the past few days, four of our fighting men have been killed in Afghanistan, and it is worth bearing in mind that a police officer was recently blown to pieces in Omagh. They died for two things: not only to guarantee our physical security and protection but to guarantee that our liberties remain pre-eminent in our society. I would therefore, with the greatest of respect, ask that we all lift our sights a little—that we stop arguing about telephones, computers, curfews and other technical things and remember why we are here. We are here to honour the memories of those young men and young women who have died for us so that we can have a debate such as this in complete freedom and comfort. The single most important freedom that I would iterate on this occasion is the freedom for the accused man or woman to be innocent until he or she is proved guilty. Control orders do not do that. Control orders deny the very liberty, the very freedom, the very values for which our young men are this evening facing death and destruction in Afghanistan and Pakistan.

The right hon. Member for Wythenshawe and Sale East (Paul Goggins) and I remember the difficult times of the mid-2000s. I have jousted with him many times and always enjoy his contributions. He made a fascinating point when he said that there was no rule book; I think that "instruction book" was his precise phrase. Indeed there was not, but there was a history book; in fact, there were lots of history books. Over the past 60 years or so, this country has allowed itself to make two grave errors at times of serious national emergency. On the first occasion, we were in a war of national survival, when we banged up tens of thousands of people during the period of wartime internment and assumed that they were guilty without giving them any form of trial. Because of the circumstances, that was not as serious a mistake as that which we made in the early 1970s when we interned hundreds of people in Ulster. I do not want to try to drag the argument into a simple, narrow one about Irish republicanism. None the less, it is important that we understand that control orders fly in the face of every lesson that we learned in the '70s, for which many of my comrades died and others, including me, shed our blood.

Internment was wrong for all sorts of reasons. It was a straightforward denial of liberty, but much more importantly, it left behind a legacy of hatred that continues up until this day. I do not need to tell the hon. Member for Belfast East (Naomi Long), who lives with this on a minute-to-minute basis, that we are currently facing a threat in Ulster that is no less than that which we face from Islamist fundamentalism on these shores. That is because we got the issues and arguments that we are discussing wrong decades ago, and we must now make sure that we get them right. There is no place for control orders in a civilised society that wishes to counter terrorism intelligently, thoughtfully, and based on practice from the past. I therefore say to the right hon. Member for Wythenshawe and Sale East that we should have used the history books before we started to compose these sorts of laws, which have done such damage and wasted so much time and so much life. We should have looked more carefully at where we got it wrong in the past.

Let us stop arguing about telephones, computers and all the technical things and ask ourselves what we can do to get rid of a pernicious system that denies the very thing in which we all believe—freedom and the ability

[Patrick Mercer]

to be innocent until proven guilty. Let us re-inject energy into our decision to negotiate memorandums of understanding. Let us talk to foreign Governments in more detail. Let us re-approach the European courts with greater energy. Let us try to insist that if an individual from another country commits a crime, or is thought to be about to commit a crime, or is even thought to be guilty of a crime, although not proven to be so, he or she is sent back to the country from which he or she originates. If it seems we cannot do that, let us then inject more energy into trying to do it—let us not give up. At the same time, let us look at the techniques that we can apply to make sure that intelligence on these individuals is turned into evidence that can be used in court to convict them and to get them behind bars if they are guilty, or, if they are not, to give them their liberty back.

I ask the Minister what has happened to the process of intercept evidence. Even as early as 1977, we were concerned about whether we could use that in court as evidence. To the best of my second lieutenant's knowledge, it was being reviewed in the mid-'70s. Why can we still not use intercept evidence in court? I refuse to give in to the foot-dragging approach that the previous Government took on this issue. When I served on the Home Affairs Committee, we were told, "This is not a silver bullet, but by golly it will help." What about questioning after charge? I think we have made some progress on that; the Minister can tell me whether I am right or wrong. Surely it is a tool that we can use, is it not?

Lastly—I have told people not to be too technical, and here I am delving into all sorts of technical things—there is plea bargaining, which the Americans and the Canadians use very successfully. Where do we stand on that? Have we given it enough thought? Have we had a refreshed insight and looked carefully at how we can use it? If we raise our eyes above the parapet of the specific argument, there are devices that we can use to produce evidence to get people into court and put them on trial. That has to be the aim rather than the current mish-mash of illiberal nonsense that we have within the democracy that we sometimes pretend to be.

My heart bleeds less than most people's, but the fact remains that we cannot deal with these individuals improperly for two reasons: first, because of their basic human rights, about which I feel strongly; and secondly, for practical reasons. If we continue to subject minorities in this country to measures such as control orders, all of which are being applied to a very small number of people who come from a similar sort of background and believe in a similar sort of cause, we are bound to disaffect the wider societies from which they hail. We need look no further than what we did to the Roman Catholic population in Northern Ireland in the 1970s. We imposed not the same, but similar measures on those people—not entirely, but almost exclusively. The effect was that a military campaign by the Irish Republican Army that was pretty well over by the end of the '70s extended itself well into the '90s and killed hundreds more people than it needed to.

Paul Goggins: The hon. Gentleman has returned to the parallel between internment in the 1970s and control orders and TPIMs now. I acknowledge what he says about the impact of internment in Northern Ireland in the 1970s, but to draw a direct parallel between that and control orders and TPIMs is erroneous. The authorisation and oversight system is much more rigorous in relation to control orders and TPIMs than ever it was for internment.

Patrick Mercer: The right hon. Gentleman is absolutely right and I accede to that point. I will go with him, sit on a Committee and talk about all that good stuff. However, that does not make a difference in the eyes of the violent republican and the Islamist fundamentalist. They will make the parallels completely and perfectly, and they will use them to twist the mind and to suborn the innocent. That is exactly my point, and I am grateful to him for making it, because we are in danger of becoming over-technical.

I will not extend the point much further. It is simple: if we are not careful, we will impose on the very people whom we are trying to recruit and to persuade to come to our side the same sort of measures that we imposed on the Roman Catholic population in Northern Ireland in the 1970s. I will quote a song that summarises the point:

"Being Irish means you're guilty, so we're guilty one and all."

Irish republicans were able to write that line because of internment. Irish republicans were able to write that line because their society had been suborned by a Government who were misguided. The parallels are not exact, but they are there. This is illiberal, this is improper, this is impractical, and this is wrong. We must get rid of control orders as soon as we can.

8.2 pm

Pete Wishart (Perth and North Perthshire) (SNP): I know that in this House we often say that it is a pleasure to follow the hon. Gentleman, but in this case I really mean it. That was a thoughtful speech that got to the heart of the matter. It showed the impact that control orders and TPIMs have on the wider community, and the way in which they are seen by the communities that are subjected to them.

When we make legislation that does not allow the defendant to see any of the evidence that is presented against them, we are getting into difficult and dangerous territory. I agree with the hon. Member for Newark (Patrick Mercer) that we have to tread carefully. There have been thoughtful speeches tonight and Members have made their points well, but I think that we are being a little too cavalier when it comes to the civil liberties of so many people in our nation. I know that these measures apply to only a few people, but the problem is how they are perceived. That is what we should consider before going any further down the line of introducing a new regime to replace control orders.

Control orders have failed more than any other measure. They have not worked. They have led to no convictions whatsoever. We must consider the fact that 15% of those who have been subject to a control order are now at liberty and we do not know where they are. Control orders have failed, they do not work, and they have a disastrous impact on communities and individuals throughout this country.

I say to the Minister that I have been quite impressed by the performance of the Conservative-led Government over the past few months. They have been as good as

their word. They have helped to dismantle the rotten, anti-civil libertarian state bequeathed by the last Labour Government. I cheered them to the rafters when they introduced the Bill to get rid of the hated Labour ID cards scheme. I wish I could have been there at the bonfire of the equally detested national database, which Labour introduced. I welcome the progress that has been made on pre-charge detention. It is not perfect, but there has been massive progress, particularly when one considers that in the days of the right hon. Member for Salford and Eccles (Hazel Blears), we were approaching 90 days' pre-charge detention. Thank goodness those days are gone. I also applaud the Conservative-led Government on their progress on all the other surveillance apparatus so cherished by the last Labour Government.

Why stop at control orders? We could have got rid of those too. This is the last remaining rotten piece of legislation from Labour's anti-civil libertarian state. Of course, we saw this coming. We all heard the rumours of disagreements in the Cabinet and between the Prime Minister and the Deputy Prime Minister. We did not see the Bill for months, until a face-saving exercise was concocted to allow the Deputy Prime Minister a bit of dignity on the issue. However, it is a rotten compromise. It has done nothing. The only thing the Liberals have got out of it is a renaming of control orders. It is just not good enough. They could have got the whole thing, made progress and got shot of these odious practices, such as people being subject to curfews without any exposure to the evidence that is presented against them.

I am disappointed in the behaviour of this Government on control orders, and I expected better of the Home Secretary and her ministerial team. However, they are subject to pressures too. I can just imagine all the fine representatives of the security and intelligence industry wandering into No. 10 and telling them, "These measures are absolutely essential and have to be done. Civil liberties are all right, but this is about national security." I can just imagine the files being presented and the Home Secretary being convinced that these measures are absolutely necessary.

I say to the Minister that when it comes to control orders, this Conservative Government are little better than Lord Reid and the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett). It was new Labour that introduced these measures, and we have to consider the journey that we have taken on this issue. They were introduced in an absolute panic with emergency legislation, which was supposed to be temporary. They were supposed to apply only to foreign nationals. There are now no foreign national controlees—they are all UK residents. All the reasons why we had these things in the first place have gone. Nobody who has been subject to a control order has been prosecuted. Control orders have failed in bringing people to justice, because nobody has been brought to justice and there has been no attempt to bring anybody to justice under control orders.

Now we have TPIMs. What is the difference? There is not really any difference. I accept what Liberty says, although I know the Liberals do not. I believe that in some respects, TPIMs are worse than control orders, because they are permanent and will not be subject to yearly reviews. That is the great anti-civil libertarian flaw at the heart of the TPIMs regime. In other respects, there is no difference. Control orders are instigated by the Home Secretary with the permission of the High Court, except in urgent cases. TPIMs will be instigated by the Home Secretary with the permission of the High Court, except in urgent cases. There are closed proceedings under control orders and special advocates examine secret evidence forming the basis of the order. Under TPIMs, there will be closed proceedings and special advocates will examine secret evidence forming the basis of the order. There is no difference whatsoever. If there is a breach, there is five years' imprisonment under control orders. Under TPIMs—surprise, surprise—it is also five years. There is very little difference.

Under the Bill, individuals who are branded as terror suspects will still be left at large in the community, unable to challenge the suspicion against them or prove it to be wrong. They will be subject to electronic tagging and curfews. Actually, they are not curfews, but overnight residence requirements. Who on earth made up that term? It sounds like a sleepover that kids would be involved in, only it is a sleepover with police surveillance and an electronic tag. It is no different from a curfew and it is a massive restriction on people's liberty. There will be restrictions on communication, movement and the ability to work or study. As before, individuals who are subject to TPIMs will be prevented from leading any kind of normal life.

The TPIMs regime will prove to be as ineffective as its predecessor in fighting terrorism. It will continue to tip off suspects and prevent evidence from being gathered, while leaving potentially dangerous people at large in the community for extended periods. I have mentioned the fact that 15% of controlees have disappeared. That demonstrates that administrative community punishments that are used in the place of criminal prosecutions are as dangerous to security as they are to liberty.

Control orders were rushed through Parliament. After 10 years, I thought that we would come to this House, consider the issue and see whether they were still required. I have listened very carefully to all the speeches that have been made tonight, and I have heard no evidence to suggest that these things are still required.

In many ways the new orders are worse, because there is permanence to them. The powers will no longer be reviewed every year, and the labelling of people as terrorists without any sight of the evidence against them will now be made permanent. There is more, because the Secretary of State could unleash all sorts of concessionary measures that could make the orders even more unpleasant. There could be further restrictions, curfews and bans on communications and associations—it is all very subjective. I am implacably opposed to control orders, and I have seen no evidence that they are required.

Steve Baker (Wycombe) (Con): I am very much inclined to agree with all the hon. Gentleman's remarks, but what would he say about the argument from those who promote these measures that the people who will be subject to them are terrorist suspects against whom prosecutions cannot be brought?

Pete Wishart: That is exactly what is said, and we have heard from a number of contributors this evening that these are people against whom there is not sufficient evidence or evidence of good enough quality for a successful prosecution. We heard the example of an individual who has had a control order against him for

[Pete Wishart]

two years. His liberty has been compromised for two years because he has not been able to prove his innocence in a court and the state has not been able to prove his guilt. That is at the heart of the matter, which was why the hon. Member for Newark was spot on in his observations about how control orders are operating.

Naomi Long: Does the hon. Gentleman agree that the debate has been framed in the context of whether we put security before liberty or liberty before security, but that in fact there is a fine balance between the two? By denying liberty we not only radicalise young people into terrorism—we have seen that in Northern Ireland, although I accept that the parallels are not perfect—but provide a concession to terrorists, who are out to remove our liberty.

Pete Wishart: The hon. Lady is spot on. I know that every Government do their best to balance the security requirements of the nation and civil liberties. I think that most of what the Labour Government did on civil liberties was totally wrong, and I opposed most of the measures that they took, but I believe that they acted in the best interests of security. However, with the invasion of Iraq they radicalised a generation of international Islamists and Muslims, and they took measures that seemed to be targeted against one specific community in the UK. They fostered resentment and created massive community divisions. They got that utterly and totally wrong.

I thought that the new Government would come in with a new broom. They have done a lot of good things in dismantling the apparatus that Labour put in place, but I wish that they had spent a bit more time on this subject. They still have the opportunity to improve the Bill, and I hope that they will do so in Committee.

8.12 pm

Dr Julian Huppert (Cambridge) (LD): It is a great pleasure to follow a number of today's speeches, particularly the last two. I agree very much with what the hon. Member for Perth and North Perthshire (Pete Wishart) said, and it is a particular pleasure to follow him because I spent some of the recess cycling through his constituency. It is great to find his countryside, as well as most of his opinions, agreeable. The hon. Member for Newark (Patrick Mercer) also made a fantastic speech.

I am in sympathy with both hon. Members, because this is a disappointing Bill. It does not live up to the aspirations that many of us had that this Government would come in and clear away much more of the vestiges of what Labour had set up. There is of course a balance to be struck, and nobody would dispute the fact that there is a real terrorist threat. The question is how best to deal with it. If we go the way Labour did, we will make it much worse as well as sacrificing civil liberties. That is why the balance needs to be struck. The Bill is a step in the right direction, but it does not go as far as it should.

My interpretation is that Home Office Ministers did not manage to stand up to officials who continued the groupthink that we saw for many long years under Labour and that we have heard in a number of speeches. There are, of course, some honourable exceptions—the hon. Member for Islington North (Jeremy Corbyn) has been very clear on the subject—but most of the speeches that we have heard from Labour Members make it clear that they would like a more authoritarian approach. That is one of the problems that the new Home Office Ministers have had to deal with.

It is a shame that the shadow Home Secretary is not in her place, because I wanted to thank her for giving an excellent example of somebody trying to have their cake and eat it. She said at one point that there was a substantial difference between control orders and TPIMs, but then said they were essentially exactly the same. However, it was finally clear, although she would not admit it when I asked her, that it seems to be Labour party policy to keep control orders, with all the bad things about them. We have heard the arguments for relocation, secret evidence and further infringements of civil liberties.

I would like to go further in a liberal direction. As I have said, the Bill is disappointing, but it is not a disaster and can perhaps be saved. I hope that the Committee will do that. There is a new Minister responsible for security, who sadly is not in his place, and I am sure that he will be able to be very much more reasonable about issues such as this; he has been very reasonable about drugs policy in previous discussions.

Some of the Bill is great. I like clause 1, which is a really fantastic clause and one that I fought an election to try to achieve. However, the Bill goes downhill a bit after that. It keeps extra-judicial processes, which we should not wish to see. We have the rule of law for a reason. The Bill also keeps secrecy, as has been mentioned, with special advocates and secret evidence so that people do not know what they are accused of and cannot adequately brief a barrister to represent them.

Ultimately, the problem is that the Bill relies entirely on the good judgment of the Home Secretary. It contains a broad power allowing for anything that the Home Secretary reasonably believes to be necessary, which could be any of a long list. I have no doubt that the current Home Secretary is more liberal than some of the previous ones, but do we all have faith in all future Home Secretaries of whatever party making the right decisions? I am very concerned about that.

We expected some good bits in the Bill, and in her statement the Home Secretary talked about better focus and more targeted restrictions, which is a good step. She also talked about powers similar to those used in the civil justice system to prevent sexual offences and domestic violence, for example, and I would have liked to see those powers in the Bill. The Bill could have been much more like other parts of the law, but that opportunity was missed.

Another good part of the Bill that we expected to see is the idea that police will have a greater duty to look after prosecutions. One has to look carefully to find it: it is in clause 10(5)(a). However, the change is very little. We have heard that the police process has been very ineffective. Because the security services have looked after the case management of the people in question, the efforts to prosecute have been extremely weak. I have no faith that what is in the Bill at the moment will make a difference to that, so it absolutely must be strengthened.

It is very good to know that there will not be relocation. I am pleased to see that in the Bill. The change from curfews to an overnight residence requirement is a small step in the right direction, but it does not go far enough. I should like a residency requirement that reflects the situation of most people. Most people—I realise that MPs are not typical in this regard—have a home where they normally reside overnight. That does not mean that they are there every night, or that they are there for the same hours every night, but it provides a reasonable way to find somebody. That should be the standard approach if we must have restrictions of any kind.

There is another improvement in the Bill, which is the move from "reasonable suspicion" to "reasonable belief". We have heard that it will probably have a minimal effect, but it is a bit better. However, I say again what I said in a debate earlier in the year about terrorist asset-freezing: it still means that there is a threshold below the balance of probabilities. We are not asking for evidence to be demonstrated to a level at which we can have even a 50:50 belief that somebody is involved in terrorist activity. Many of us would like a criminal standard and a criminal conviction, but under the Bill the evidence threshold is below the civil standard, which very much concerns me.

I am also concerned that we are losing the annual review. I agree with the comments that have been made about that. Control orders were introduced as emergency, temporary legislation, and I believe we are now past that emergency, temporary period. I would like us not to have an annual review, but only because we have got rid of control orders completely and their replacement does not arouse our concerns. However, I am worried about parliamentary scrutiny of the process.

I am also concerned about schedule 1. I am grateful to the Home Office for allowing me to have discussions about what might be in it, but it is much broader than I had ever anticipated. It mentions exclusions from particular areas, and the explanatory notes highlight that that could include a mosque. I hope the Minister will be able to tell me whether it could include an exclusion from all mosques, or from any other religious building for people from other backgrounds. It mentions association bans, on which there are very few constraints. Could they involve banning somebody from associating with their family? What safety is there in that measure? A long list of measures—I shall follow the direction of the hon. Member for Newark and not go through every single one of them—must be pulled out and dealt with in Committee.

The Bill is simply not good enough. The details need to change, but so do the principles. We can spend a lot of time haggling over phraseology, but the approach is wrong. Any alternative should be part of the normal legal process, and we must find a way to make that normal process work.

Effectively, there is a power for judicial review, but that is not the same as judicial oversight. That power relies on judges deciding that the Home Secretary has made obviously flawed decisions. That is quite a tough standard, and I would like the measures to be much more in the control of the courts. They should make decisions rather than have a weak power if the Home Secretary behaves excessively.

In 2010, the Select Committee on Home Affairs stated:

> "It is our considered view that it is fundamentally wrong to deprive individuals of their liberty without revealing why."

I hope all hon. Members agree with that. There should be more of a focus on prosecution. There are some measures on communications and extra money will be available for surveillance, but they are legislatively weak. We know that control orders acted against the interests of prosecutions. The Home Office counter-terror report stated that control orders can mean

> "that prosecution and conviction...becomes less not more likely".

Control orders make it harder to achieve what we want. If people have been involved in terrorist activities, we would like them to be convicted and put behind bars. The scheme is also expensive to run, because it interferes so badly with human rights and basic principles. Continuous wrangling over that leads to very large legal costs—about £13 million over a few years.

There are alternatives to control orders. Police bail, which has been discussed, is not a perfect system, but it fits much more with other measures that we use, which makes it a more normal and sensible way of running the system. We need to use much more evidence. If we have covert or intercept evidence, we should use it. We had an interesting discussion about people whom we know are terrorists but whom we cannot convict, even if we have evidence. Instead, we put them in limbo for a long period. The correct solution must be to change the system so that we can convict them.

In his evidence to the Joint Committee on Human Rights, on which I used to serve, Lord Macdonald of River Glaven, who has spent a long time analysing and reviewing such matters, was absolutely clear that intercepts should be used. He pointed out that one frequently uses informers, bugs and probes in respect of criminal offences, and that there are ways of managing and using such evidence. He said that he had

> "never accepted the argument that its effect would be marginal."

He continued:

> "You simply have to raise that argument in Washington and see the reaction on people's faces when you suggest that intercept would not be useful, or ask people in Canberra or Ottawa, or anywhere else. They simply cannot believe that people are making this argument."

I, too, cannot believe it. We should ensure that we use intercept evidence.

We should also look again at other options that Lord Macdonald has proposed, such as giving the Director of Public Prosecutions the power to say, "We can prosecute, but not yet. We must hold this person for a while first." That would give more control to the DPP. We should also give more control to the High Court. We could make the Bill better in a number of different ways to make it more a part of the legal system.

It has been said that the Government wish to have emergency legislation in case TPIMs are not enough. That worries me, because I think that TPIMs are too much anyway. What is that emergency legislation, when will we see it, and will it have pre-legislative scrutiny? I see no reason why the Opposition, whom we know are keen on stronger measures, should be the only parliamentarians to see it. All Members of Parliament should see it, so that it can be discussed. If there is ever a need to use something stronger than a TPIM, we

[Dr Julian Huppert]

should think about it carefully in advance, not at 4 o'clock in the morning in a panic. We should look at such a measure very carefully.

I can tolerate the Bill on Second Reading—I like clause 1 and am happy to live with it—and there is still time to improve the Bill in Committee. We should not wait for the other place to go through the Bill properly: this House should make it work. We should improve the Bill in Committee and on Report, but I would be uncomfortable supporting the Bill on Third Reading unless there are changes and reassurances.

I shall end with some final words from Lord Macdonald. On control orders, he said:

> "The reality is that controlees become warehoused far beyond the harsh scrutiny of due process and, in consequence, some terrorist activity undoubtedly remains unpunished by the criminal law. This is a serious and continuing failure of public policy."

He is absolutely right, and we should not let that situation continue.

8.25 pm

Jeremy Corbyn (Islington North) (Lab): I should first apologise to the House for missing the Home Secretary's introductory speech, but I have been present for the rest of the debate. I welcome this opportunity to discuss anti-terrorism law. I think I am the only Member currently in the Chamber who has been here long enough to have voted against the Prevention of Terrorism Act 2005, which was seen at the time as the low point in the attack on civil liberties. Oh that we were only discussing such an Act these days!

I pay tribute to the hon. Member for Newark (Patrick Mercer), who spoke of the effect of internment in Ireland and other places. When a state decides to take away the liberties of large numbers of people, the consequences are felt for a very long time. He talked about what happened in Ireland in the 1970s and 1980s, but we can look back to the wholly irrational way in which British Jewish people were interned in 1940 at the start of the second world war. That was entirely counter-productive and an idiotic thing to do. There were also long-term effects on the attitudes of Japanese Americans to US society from the disgusting way in which they were put in concentration camps in California in 1942 because they were automatically assumed to be supporters of the Japanese in the war. If anyone had bothered to think about that, they might have asked why those people were living in the USA in the first place. The consequences of such actions go on for a very long time.

I am not suggesting that the Bill is equivalent to those measures, because it is not. It is much smaller and specifically targeted, but I have, nevertheless, some fundamental issues with it. Most states take unto themselves a power to override the judicial system in some way—most have some special security law or courts, or whatever. Without going into the whole history of this matter in Britain, the introduction of the Prevention of Terrorism (Temporary Provisions) Act 1974 was a response to the Birmingham pub bombings. The first person arrested under the Act was one of the Guildford Four, who spent 18 years proving his innocence and who was finally released as a result. That Act was repealed and replaced by the Terrorism Act 2000, which preceded the dreadful events of 2001.

I remember spending all night in the Chamber at that time discussing what we would do to beef up our counter-terrorism measures. At every stage, the argument was to go further away from open criminal courts and further in the direction of special courts and special measures, with lower levels of evidence gathering. We have now ended up with the obnoxious silent court mentality. The barrister probably knows the nature of the case against the individual whom he is supposed to represent, and the judge and the prosecution certainly know, but the defendant is not allowed to know and his barrister is not allowed to tell him. That is a dangerous road to go down. Anyone who has met someone who has been the subject of a control order or some kind of restriction will know that they are for ever changed by the experience. In some cases, they are subsequently prosecuted. In others, they are not: the control order is lifted, they disappear, and that is that. The corrosive effect on them, their families, their lives and their community is very serious, and we should be extremely careful about introducing legislation that gives courts the power effectively to act in secret, and the security services the power to present evidence that is heard in secret and used to punish people, when the security services are never publicly accountable for what they do. I understand that there are all kinds of dangers involved in all sorts of things, but if we legislate to allow an arm of the state to operate covertly with no public accountability for what it does, therein lies enormous danger.

The very least we can do is examine the Bill in great detail in Committee and, above all, ensure that the legislation is subject to regular parliamentary review. It is our duty as elected Members of a free Parliament in a free society to hold the Government, and the agencies of the Government and the state, to account. It is not good enough to pass this legislation saying that we will return to it and debate the issue again as and when a future Government feel it appropriate to introduce another form of counter-terrorism legislation. As well as the obvious parliamentary scrutiny through Select Committees, questions, Adjournment debates and all the other tools that are available to us to hold the Government to account, there ought to be a regular parliamentary debate and review of the whole arrangement on a six-monthly or yearly basis. The PTA was renewed on a six-monthly basis throughout its entire existence.

Steve Baker: I find myself agreeing with the vast majority of the hon. Gentleman's remarks. Looking around the Chamber, I see that there is almost no one here. Does he agree that in the status quo, given the level of interest in this subject and the nature of the whipping system, regular parliamentary scrutiny of this matter would actually amount to very little?

Jeremy Corbyn: I have always had an interesting relationship with the whipping system in Parliament. We are here as MPs to represent the constituents who have been good enough to send us here, and we are here to answer for ourselves. We must be prepared to ask these questions and to take part in these debates. Like the hon. Gentleman, I am extremely disappointed that there are so few Members here tonight. I suspect that it is because word has gone round, by text message from the Whips on both sides, that there is not going to be a vote. Most of our colleagues are probably either enjoying themselves on the Terrace or have gone home, when

they should be in here debating this Bill. We could say the same for almost any piece of legislation that goes through the House.

I mentioned in an intervention the fundamental question of international jurisdiction. If someone comes to this country from a jurisdiction in which they have been tortured, irrationally imprisoned or abused, or if it is likely that they would suffer such a fate if they went back, we have a clear duty of protection to them under international law. Under the procedures of anti-terror legislation, someone who is suspected of terrorist activity or of harbouring plans for such activity can be detained virtually indefinitely under immigration law. Under the memorandums of understanding that were made between the previous Prime Minister but one, Tony Blair, and a number of Governments, such people can be returned to jurisdictions that have not signed the United Nations convention on torture.

I have a real problem with that. If we support the principles of international law and the international jurisdiction of conventions such as that one, we should carry them out to the fullest extent. We should not deport people to places where there is no protection of their rights under treaties that we have taken for ourselves. Just as when someone goes to prison, when an individual is accused of being a terrorist or of planning a terrorist activity, they do not stop being an individual and they do not lose all their rights. They do not stop being a citizen at that point.

Richard Fuller (Bedford) (Con): I could not agree more with the hon. Gentleman's point about our deportation of people to countries that could torture them. Does he agree that it is a serious omission in the Bill that the bail conditions imposed by the Special Immigration Appeals Commission will be able to remain at the levels set out in the control orders that are being lessened by the Bill? Should not that omission be corrected?

Jeremy Corbyn: Indeed so; the hon. Gentleman is absolutely right. That matter should be looked at in great detail in Committee. I hope that the Bill will be greatly changed in Committee and that we will hear about those changes on Report. I hope we will move away from the principle of control orders and the conditions that he rightly says are associated with them. I understand that Liberty, whose briefing on this matter I have neither read nor seen, for which I apologise, describes these measures as "low-fat" control orders that have been dressed up to resemble something that they are not.

I represent a mixed, inner-city community constituency, as do many other colleagues, and I am very proud to represent that area. The events of 2001, the invasion of Afghanistan, the invasion of Iraq, the Bush-led war on terror, the axis of evil speech and similar things have had an enormous effect on community relations. They have also generated a degree of Islamophobia within our society and continue to do so, which is a very serious matter. The anti-terrorism legislation and the arguments surrounding the Prevent strategy, like so many other things, play into that agenda.

My borough suffered on 7/7: more people from my borough died than from any other borough—it was a dreadful, awful, terrible day. I do not believe, however, that counter-terrorism legislation that goes around the principle of the use of the criminal law or goes around the norms of parliamentary democracy and open justice will stop those things happening again. That whole process does not make us more safe; ultimately, it puts our society at greater risk and makes it more vulnerable.

Although we are debating a change in the legislation and the Bill is presented as being the end of control orders, the reality is that we are being presented with a different form of control orders. I look forward to the Committee asserting itself when the details of the Bill are debated and improving it a great deal by removing the whole principle of control orders.

Once we give away our powers to secret courts or give away accountability to secret services—I accept that only 48 control orders have been put in place—we are crossing a very big line. We should be very careful about doing that. Our job as Members of Parliament is to ask the awkward question; our job as MPs is to put very awkward questions to those employed by the state to look after law and order and protect us. Above all, our task is to ensure that our liberties are safe, our democracy is safe and that individuals will not be detained irrationally for a very long time on the basis of hearsay evidence that would simply not stand up in a criminal court. That is a bad thing for a democracy; it is a bad thing for us to do.

8.37 pm

Mr Dominic Raab (Esher and Walton) (Con): Like others, I would like to commend some previous speakers, particularly the hon. Member for Islington North (Jeremy Corbyn), my hon. Friend the Member for Newark (Patrick Mercer) and the hon. Member for Cambridge (Dr Huppert).

Confronted by the terrorist challenge, the previous Government resorted to presenting a rather crude and blunt trade-off between freedom and security. Too often, it undermined Britain's tradition of liberty without eliminating or even substantially reducing the threat to this country. In that context, I welcome the huge strides the Home Secretary and fellow Home Office Ministers have taken to defend and restore our freedoms by abolishing ID cards, halving pre-charge detention, tightening stop-and-search powers and the other measures they have taken in protection of freedoms legislation. I believe that Ministers have decisively reassessed how state power is used to protect us.

In many ways, if truth be told, the whole debate on control orders has been allowed to obscure the substantial progress made by this coalition and this Home Office. Nevertheless, the truth is that the control order regime presents a pernicious affront to our tradition of liberty. It undermines the most basic principle of British justice—of being innocent until proven guilty. Orders can be imposed on people who have not been found guilty of any criminal offence. That is wrong in principle, and control orders have proved to be an ineffective tool in practice. I shall come on to explain why I believe that to be the case.

In fairness, TPIMs are not as draconian as the old regime and again I want to recognise Ministers' efforts to improve the conditions imposed by the Bill. In truth, however, TPIMs are only marginally less draconian and are certainly no more effective than their predecessor—and that is not much of a trade-off either. Liberty notes in its briefing that TPIMs

"mirror the most offensive elements"

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of control orders. Under clause 3, the Home Secretary must demonstrate "reasonable belief" of involvement in terrorism as opposed to the old standard of "reasonable suspicion"", but a criminal sanction of this severity should require proof of criminal conduct—not hunches, not opinions, but proof.

The potential restrictions on individuals set out in schedule 1 remain onerous—residency requirements, curfews, restrictions on communication and association, travel bans, electronic tagging and all the rest. Clause 5 appears to suggest a two-year limit for TPIMs, but they can be renewed if new terrorist activity is alleged. That is itself a worrying comment on the credibility of the new order as a counter-terrorism measure. Clause 21 retains the penalty of five years' imprisonment for breach of an order.

In one important respect, which has already been mentioned today, the proposed regime is worse than its predecessor. Control orders had to be approved annually by Parliament in recognition of their exceptional nature and the urgency of the circumstances in which they were introduced, which ensured regular parliamentary oversight, but TPIMs will not be subject to such parliamentary reviews. A temporary emergency measure will thus become permanent and entrenched, and we will have crossed a line. It is worth our asking, with that in mind, what we will gain from such an affront to our tradition of liberty and justice. What will be the security dividend from this trade-off of our freedoms?

Of the 40 individuals formerly subject to control orders, seven absconded and five had their orders quashed by the courts. In 2009, each order cost the Home Office £135,000 to implement—quite apart from the costs of defending the orders from legal challenge and of policing. The number of control orders has halved in the last two years, from 20 to 10. Some will say that that shows that they are used only as a last resort, but in fact it demonstrates their irrelevance to the massive scale of the terrorist threat that we face. MI5 estimates that there are still about 4,000 terrorist suspects in the United Kingdom—10 controlees, 4,000 suspects. Let us not pretend that control orders have ever been anything more than the most flimsy and feeble of security safety nets.

Control orders are not just of dwindling relevance; they constitute a distraction from robust law enforcement and are actually a negative. That is why I welcome the Home Secretary's renewed focus on the Prevent strategy. I would welcome further still measures to strengthen our deportation capacity, which has been undermined by judicial legislation resulting from article 8 of the European convention on human rights, via the Human Rights Act 1998. The massively inflated rights to family life now allow the majority of deportation orders to be frustrated. That has nothing to do with article 3 torture grounds, which I would stand up for. More specifically, as Lord Macdonald stated in his report on the counter-terrorism review, control orders are an "impediment" to prosecution and conviction because

> "controls may be imposed that precisely prevent those very activities that are apt to result in the discovery of evidence fit for prosecution, conviction and imprisonment".

The wider evidence is stark and clear. This country now has a gaping prosecutorial deficit. The number of convictions for terrorist offences has fallen by 90% in the last four years, despite all the legislative hyperactivity of the previous Government, despite all the hubris, and despite the exponential rise in the terrorist threat, whose existence I think we all accept. Yet conviction in court and locking up terrorists constitute the only guaranteed way of protecting the public.

I find it worrying that we have heard so little about strengthening prosecution in real, core, concrete, tangible terms. We need a far more robust and proactive prosecution policy. We need to learn directly from experience abroad, particularly in Commonwealth countries such as the United States, Australia and Canada. We need much greater use of plea bargaining, although incidentally I do not see why the discount should be increased. I believe that if plea-bargaining were deployed effectively, it would almost certainly increase, not reduce, the number of dangerous people put behind bars. Indeed, that is the whole point of it.

As others have said, we must also overcome entrenched bureaucratic inertia and lift the ban on the use of intercept evidence in court, thus ending Britain's virtual global isolation and giving prosecutors an invaluable tool with which to secure convictions. I know from my experience of working at the Foreign Office on information co-operation with international war crimes tribunals, along with all the Departments and agencies in the United Kingdom, what the limits are and how intercept evidence can be used discreetly, carefully and competently, and I am convinced that we can overcome the objections that have been presented.

The hon. Member for Cambridge (Dr Huppert) said that if we were to ask anyone in the United States, such as the FBI or the Deputy Attorney-General—I myself have talked to the counter-terrorism adviser in the George Bush White House—they would be aghast at the idea that intercept evidence could not be used as a powerful weapon to put more terrorists behind bars. It is absolutely critical. It is a mystery to me that we in this country have allowed so much surveillance of the ordinary law-abiding citizen, yet we adamantly and trenchantly oppose using intercept evidence to target prosecution against those engaged in terror.

Lord Macdonald offered a very credible alternative to the control order regime, with restrictions linked to bail in the active pursuit of prosecution. I regret that his proposal was not taken up in place of the old regime, or, indeed, of the new one presented to us today.

8.46 pm

Mr Tobias Ellwood (Bournemouth East) (Con): The war on terrorism has defined the current generation, as the second world war did the generations of the '30s and '40s, and as the cold war cast a shadow over those of the '60s and '70s. Terrorism has existed before in all sorts of forms, of course; in the '70s and '80s, there was IRA terrorism, for example. The shadow of 9/11 still hangs over the current generation, however.

The threat of terrorism affects every aspect of our lives. Every time we step on a train, we are reminded to be vigilant and watch out for suspicious bags. Every time we enter a Government building, we are obliged to have our bags—and, indeed, bodies—scanned. When we switch on the news, there will often be a report of another attack in one part of the world or another. It is

therefore no surprise that we debate this subject and pass laws in this House with a view to containing or eradicating terrorism and protecting the public.

Terrorism is not a cancer that we can surgically remove, however, or a trend that can be outlawed. Terrorism is a violent form of communication, usually involving the killing of innocent people by a private group or individual in such a way as to create a media spectacle and pass a message or place pressure on a Government, while at the same time gaining publicity for that terrorist group, cause or individual. We must tackle the ideology behind terrorism, as well as prevent the terrorist attack itself.

Sadly, history has shown that Islamic radicalisation reached our shores a number of years ago. In 2002, the shoe bomber failed to bring down a transatlantic flight. In 2005, we had the 7/7 bombings, and just two weeks later there was a failed attempt to replicate that attack. In 2006, a transatlantic terror plot, which attempted to use 10 liquid explosives to blow up planes, was disrupted. In 2007, we had the attack at Glasgow airport, when two men driving cars full of propane rammed the main terminal building. Also in that year, two car bombs were discovered in the Haymarket, and, thankfully, disabled before they were detonated. In 2008, there was the Exeter café bombing by a radicalised 22-year-old, but, thankfully again, nobody was hurt. Terrorism has become part and parcel of our lives, therefore. What links all these events—and these are only the events that are in the public domain—is the deeply distorted interpretation of Islam that turns harmless citizens into radicalised recruits willing to cause other innocents harm.

It is important to ask why Britain is prone to this sort of attack. What makes the United Kingdom more of a target than, say, Austria or Germany? These are difficult, and perhaps controversial, questions, but they must be asked. We can ask: did our involvement in overseas conflicts such as Iraq or Afghanistan increase the potential for such Islamist attacks? Yes, it undoubtedly did. It has made us more of a target. Whether we think that such conflicts are right or wrong, that is a fact and we must come to terms with it.

Having weak immigration controls also makes us more of a target. If our borders are porous in some way, it makes it easier for those who wish us harm to get into this country to cause that harm. We also face a difficult question about our tolerance towards different cultures. If there is a lack of cohesion between different cultures, a failure of integration between those cultures in our communities and a lack of understanding of what it means to be British, that failure to bring communities together can lead to hostility in its own right. Given that so many Muslims live in this country and in the United States, we must ask why we have not seen the same radicalisation in the United States as we have seen in this country.

Controversially, one could also say that the way in which the pendulum of political correctness has swung is involved here; we might ask whether we tackle these difficult events as harshly as we should. Demonstrations have taken place in various mosques over a number of years, yet because we are cautious and do not want to make too much of a song and dance we have perhaps not been tough enough to send out the message that such behaviour should not be tolerated. These are difficult questions, but if they are not posed in this House where else can they be raised?

Developing a strategy to tackle this problem is complicated and it requires contributions from across Departments: the Ministry of Defence is kinetic and its contribution is about what we do in Afghanistan, first, to eradicate the extremism there and then to help stable democracy; the Department for Communities and Local Government has a role to play in encouraging forms of cohesion; the Cabinet Office is now responsible for cyber-security; the overseas aid budget should be targeted to help countries to tackle these issues themselves; and the Home Office has a role in focusing on prevention and security, which is what we are debating today.

Such a strategy involves understanding the motives of terrorists, how they are trained, how they are recruited and how they are identified as potential killers. It involves providing better support to vulnerable groups, such as those who are in prison, those who are unemployed and the youth. It also involves putting increased emphasis on community cohesion and ensuring that funding goes to properly targeted groups, rather than to those very groups that wish us harm. As a number of hon. Members have said, such groups have been funded in the past and I am pleased that that has been brought to a stop.

Such a strategy also involves the improved identification of those who might be targeted, which does require the assistance of universities and doctors. We need everybody's assistance; we have a collective responsibility in our community to look after each other. Such is the scale of the problem we face that some individuals, including UK citizens, are successfully turned into potential terrorists. The Bill will play a small part in the wider strategy that deals with individuals who are known to be involved in terrorist activities but about whom the evidence is not yet sufficient to warrant a full conviction. We are talking about a small group of people—fewer than 50 or so—who cannot be deported but who are yet to be convicted. Our approach must be about making sure that we are aware of their movements, their accommodation and their travel, so that they are "looked after" in a way that means that they are unable to do harm in the future.

Many hon. Members have discussed the Bill in detail so I will not repeat many of the comments that have been made, but it is worth saying in conclusion that just as warfare has had to adapt to the changes in the battlefield, so must our counter-terrorism technology develop. I welcome the Bill, as it refines our ability to combat terrorism. I have been told that I would be delighted to serve on the Committee, should I be called, so I recommend the Bill to the House and look forward to serving, if possible, on the Committee.

8.54 pm

Stephen Phillips (Sleaford and North Hykeham) (Con): It is an enormous pleasure, as always, to follow my hon. and gallant Friend the Member for Bournemouth East (Mr Ellwood). It has also been an enormous pleasure to listen to the contributions from other right hon. and hon. Members on both sides of the House.

At the outset, I want to make it clear that the issues with which the Bill grapples are not, as I suspect many Members have found, necessarily easy. I have not found them easy. For my part, during my consideration of the

[Stephen Phillips]

measures proposed by the Government I have from time to time changed my mind, or at least changed the direction in which I thought I was travelling, before finally alighting on the position that I intend to set forth this evening.

What, then, is the dilemma for all Members? On the one hand, it seems plain from the responses to the Government's consultation that there is general agreement among the majority of those who offered their views that in the case of a very few individuals there is a continuing need for the Government to have access to the sort of powers proposed in this Bill to protect the public from potential harm. One simple reason for that, as the responses make clear and as I, at least, am persuaded, is that in the case of some of those very few individuals prosecutions are impossible for either security or legal reasons. By the same token, not every threat to national security is or has yet become a criminal offence. Are such threats to be ignored, as some would urge us to do? I venture to suggest not.

On the other hand, the suggestion that the sort of powers that we see in this Bill should exist at all—they effectively permit the Executive to detain individuals without trial—is naturally abhorrent to Members of this House and is regarded as such on both sides, as it is by all right-thinking people. It is said with force that we now have, and that within the memory of this House we have always had, a system of open justice and it is legitimate to ask, as many Members have done, why in those circumstances we should make even one exception, no matter how carefully hedged about with safeguards, to the principles that have long underpinned our democracy and the rule of law in this country.

The question, then, is how that dilemma is to be resolved. That is essentially the question faced by the House in deciding whether to give the Bill a Second Reading. Differing from hon. Members of all parties and some people outside the House who advocate the complete revocation of any system of civil measures that interferes with the rights of the individual, I have come to the view that what the Government propose, subject to the amendments that will no doubt be made in Committee, strikes the right balance for reasons that I shall come on to. That is, I accept, my judgment. It is my opinion, consistent with the position that my conscience dictates, but that is not to say—and I do not say—that it is the only view that it is possible to take. This is very much one of those issues where reasonable people may come to completely contrary conclusions and where Members have come to contrary conclusions. My task, if I have one at all, is to explain in the course of this debate how I have come to my conclusion and my reasons for having done so.

The starting point—I suspect that all Members would agree that this should always be the starting point for any Government, but it is one which might perhaps have been lost sight of from time to time during the course of the debate—is that the primary duty of the state to its citizens is to keep them safe. National security and public safety are and must always remain the first duty of the Government, as my right hon. Friend the Secretary of State made clear in her statement on 23 May 2011 and as the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), the shadow Home Secretary, acknowledged in her opening remarks in this debate. If one accepts, as I think one must, that that is the starting point, it must in my judgment follow that if there are circumstances in which those who threaten the United Kingdom from within her own borders cannot, for whatever reasons, adequately be dealt with by a system of open criminal justice, which I accept should remain the norm in the vast majority of cases, their rights cannot override those of the majority to the safety of their existence, which the Government are bound to protect.

In one sense, of course, this is a question of degree. Is the derogation from the ordinary principles of the rule of law and the rights of the subject that this Bill entails justified given the threat that we know we face at the beginning of the 21st century? In my opinion—I stress again that it is my opinion and that others are driven to a different view by their consciences—it is. We have merely to look at some of the events that we have witnessed during the past decade, such as the bombings of 7 July 2005 in London, to know what may happen when the balance is poorly or inappropriately struck. Of course I do not for a moment suggest that the mere existence of the measures in the Bill—of TPIMs—or even of the existing regime of control orders can ensure that such events will never happen. However, if one wonders, as I do, whether future atrocities might be prevented by proportionate derogations from generally accepted minimum standards regarding the rights of the subject—derogations that can and must be kept to a minimum, as I think all Members accept—it is my belief that they might. It follows that the existence of a regime that is necessary to protect the public, such as that contained in the Bill, cannot be avoided given the world in which we live.

The matter can be viewed in this way: many Members on both sides of the House will quite properly oppose the Bill's Second Reading, or will at least have indicated that they will not give it a Third Reading in its current form. However, let me posit an eventuality that I hope will not occur—circumstances in which someone who might have been subject to a TPIM is instrumental in a future atrocity that results in our fellow citizens being maimed or killed. Would it, in those circumstances, be right that the Bill fell today or in future? I suggest not, for that would be to strike the wrong balance between the rule of law and the first duty of the Government, which I have already outlined.

I accept that none of this is easy. My view, I am perfectly prepared to accept, may be wrong. It may even, as the courts will be able to inquire given that there will now be no possibility of derogation from the law relating to the rights of the subject, be unlawful, although I think not as the Bill has been carefully drawn. However, it is the view to which I am driven by a consideration of the issues I have outlined and by the horrendous possibility of being wrong and, in being wrong, of failing to prevent a potential terrorist outrage.

The second argument that drives me to support the Government's proposals and therefore to lend my support to the Bill's Second Reading is the very fact that there are certain rights that I and the vast majority of people consider to be inalienable, the most important of which is the right to life. That this right is inalienable seems to me naturally to entail the proposition that it should, by the nature of the law as it should be framed, be protected—if

necessary at the expense of other lesser rights, which are not necessarily inalienable. Schedule 1 identifies a series of measures that the Secretary of State may take, should the Bill become law, which would undoubtedly interfere with the second of those groups of rights. It enables the state to obstruct the liberty of the citizen, to oblige him or her to comply with the directions of those who exercise its authority and to disturb the free enjoyment of property rights. However, not one of those rights is, or at least should be, regarded as absolute and inalienable. The right to life and to security, in the sense of freedom from hurt or injury, is in a different category altogether. As the Bill makes clear throughout, particularly from the safeguards with which it is hedged, it is that right that is being protected and the other, lesser rights that are being obstructed. That cannot but indicate, as many Members on both sides have noted, that a balance is being struck. Whether it is the right balance will be a question that future historians will no doubt assess.

Henry Smith (Crawley) (Con): My hon. and learned Friend is making a powerful argument about the balancing of rights. Does he feel that this consideration should be reviewed regularly to ensure that the balance remains correct in future?

Stephen Phillips: I can see that there is a powerful case for amending the Bill in Committee to introduce some annual review by Parliament, but there are countervailing arguments, some of which have been alluded to during the debate. The first of those arguments, which was made by my hon. Friend the Member for Wycombe (Steve Baker), is that with the whipping system being what it is, such an annual review may prove pointless. The second is that if the House forms a view in relation to TPIMs, which are not control orders, it will have reached a settled view, and that will not fade from parliamentary memory. I think that everyone on both sides of the House accepts that once the reasons why TPIMs or control orders need to exist have disappeared, this legislation should also disappear. In those circumstances, while I can see the case for an annual review, it is not something on which I have a conclusive view, and I look forward to debating it again in due course.

Returning to whether it is right in principle for the Bill to strike the balance that it seeks to strike, what finally has driven me to the view that the Bill must continue its passage through the House is the fact that the arguments against the balance being struck at all either misinterpret or only interpret semantically and without regard to its content what the rule of law actually means. We have created for ourselves, as have most other nations, a system of justice that involves the open trial of individuals for those things that we characterise as wrongs that deserve punishment. That system, however, is a fabrication of the society in which we live—no more, no less. It is not the only system that man could devise, but it has been found over the years to be the best system, even though we must occasionally alter or change it so that it meets the needs of the times in which we live. This is such a time, so the Bill seeks to fashion a different system from the ordinary criminal justice system, and it does so because, in my judgment, it must, for reasons that I have given.

Is the system contrary to the rule of law because it is different? No. It is contrary to the rule of law, if in any sense, because we say it is, yet the rule of law as created must be protected, as it answers so well to the circumstances of existence that we must not seek to undermine it any more than is necessary. Again, there is a balance to be struck—what is necessary is what is proportionate to the circumstances, and in my view that is the regime that the Bill seeks to create. The same cannot be said universally of the regime that will be repealed if and when clause 1 comes into force. While the Prevention of Terrorism Act 2005 sought to strike a necessary balance, in my judgment it struck the wrong balance, which is tacitly accepted by the Opposition Front-Bench team, given their acceptance that the control order regime was not necessarily the best way of dealing with the threat that the legislation that they introduced sought to deal.

I know, as I have said before in the House, new as I am, that it is the Opposition's duty to oppose, but for those of us who have sat through this debate in its entirety it has been odd to note the opposition from their Front-Bench team, but the consensus among Back Benchers on both sides of the House that the Bill should at least complete its Second Reading.

The previous regime of control orders permitted the Government to derogate from the Human Rights Act 1998. The Bill does not do so, which is progress. While I am no fan of the Human Rights Act, I accept that it includes welcome protections that have existed in our law for generations, even if consistently misinterpreted or over-interpreted by the Court in Strasbourg. The previous regime of control orders likewise provided a non-exhaustive list of the way in which the rights of the subject could be hindered. The Bill, by contrast, tells the Home Secretary precisely what she may do, circumscribed by Parliament. I know which I prefer and which meets the need to tackle the mischief at which the Bill is directed.

The previous regime of control orders likewise allowed the Home Secretary powers overly and unnecessarily in effect to extinguish individual rights, the best example being the 16-hour curfew. The Bill, by contrast, limits the Home Secretary's powers—again, always subject to review—to something which, to my mind, is more capable of justification, even though overnight detention orders require more definition. Most importantly, unlike the present regime, mere suspicion on the part of the state will no longer be enough to trigger the powers in the Bill—and rightly so. The Bill makes it clear that there must be reasonable belief that individuals can no longer be deprived of their rights merely on the basis of suspicion. Lawyers other than I have suggested this afternoon that there is little difference, but I disagree. Even if I am wrong, I am more content with a regime that requires some form of objective proof and justification than one that can be triggered merely on the basis of vague, subjective assertion on the part of the state.

For these reasons, and many others which there is now insufficient time to develop further but which will undoubtedly be explored in Committee if the Bill goes forward tonight, it is my belief that this is the right Bill to address the dilemma that I posed at the outset and which the Government face in striking a balance between the rights of the individual and the obligation to protect all the citizens of this country. If the House divides tonight, the Government will therefore receive my support to give the Bill a Second Reading, as I believe they should receive the support of the remainder of the House.

9.10 pm

Steve Baker (Wycombe) (Con): As I follow my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips), I am reminded of something that I learned shortly after I arrived in the Chamber—that is, that some of the finest and most informative speeches are delivered after the glare of the media has departed from the Front Benches. I found his remarks very interesting, although I have not agreed with all of them.

I associate myself with the remarks of my hon. Friends the Members for Newark (Patrick Mercer) and for Esher and Walton (Mr Raab). Listening to the remarks of my hon. Friend the Member for Bournemouth East (Mr Ellwood), I found myself disagreeing with him somewhat. I hope he will forgive me if I say that I think the threat that we face today is not the same as the threat that we faced during the cold war. We do not face total nuclear war or mutually assured destruction. During the cold war we did not capitulate our highest values. Instead, we sought to emphasise them. As my hon. Friend mentions the cold war, I hope the House will forgive me if I quote Reagan in 1964:

"You and I know and do not believe that life is so dear and peace so sweet as to be purchased at the price of chains and slavery. If nothing in life is worth dying for, when did this begin—just in the face of this enemy?"

I could go on, and I am sure some Members would enjoy it if I did. Just in the face of this enemy? No. Some values are higher than life itself.

I particularly associate myself with the remarks of my hon. Friend the Member for Keighley (Kris Hopkins). Like him, I have a large Muslim population in my constituency and I have come to be very fond of those fine people. I have found that we share a commitment to justice and to objective morality as the basis for our liberty. It is true that a very small number of my constituents have been convicted of terrorist atrocities, so I approach this subject with considerable care.

As a gallant Member of the House, Mr Deputy Speaker, you may recognise in me a sense of missing the clarity of serving in the armed forces. When I first considered the subject of the prevention of terrorism, I had just come out of university and the law of armed conflict in the UK and carrying firearms in the UK was being explained. It was made perfectly clear to us, fresh out of university, that the correct response to a terrorist caught in the act of committing a terrorist atrocity was a bullet—a single aimed shot at the centre of the chest. We were shocked and appalled when that instructor explained to us that he would be disappointed if any member of the armed forces did not take the opportunity offered by the rules of engagement to shoot a terrorist.

That is only the first category of ways we might deal with terror. The second is that which we are all perhaps more used to—investigation, arrest, charge, conviction, imprisonment. I think the mood of the House is that we would all prefer that standard criminal process to be followed. The final category seems to be the strange twilight which we have entered, the twilight of semi-guilt and shadow justice, where we cannot bring people to prosecution, yet we fear them. What has happened to us?

Some words are so powerful and represent concepts so important that people will lay down their very lives for them—words like "liberty" and "justice", inseparable words, hooray words, which unfortunately, as I have discovered in my political journey, are subject to interpretation and political conflict. But our forebears laid down their lives for liberty and justice. I was asked once on my journey here if there was one thing I could change about the state that Britain finds itself in, what would it be? Before I was asked, I thought I would say we should leave the European Union, but on reflection and having read the brilliant book by my hon. Friend the Member for Esher and Walton, "The Assault on Liberty", I found myself thinking briefly and saying, "I would repeal control orders."

Control orders disgust me. They represent the capitulation of our highest values in the face of cowardly enemies. We should not tolerate them, so like some of my hon. Friends, I welcome clause 1. Clause 1 is a glorious and joyful clause, perhaps the finest I have seen in the House.

We face, we are told, a serious and sustained threat. I find myself returning to Pitt. We have come a long way since 1783 when he said:

"Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves."

I might go less far, but I would say that the response to fear and to threat is not the abandonment of our highest values; it is courage. It is to reach deep within ourselves and to find the courage to face down cowards. That is what I wish the Government would do.

I meet clauses 2 to 27 and the eight schedules with profound misgivings, but I can hardly vote against them as they represent a move in the right direction. The shadow Home Secretary, although offering us a confused analysis of the Bill, has said that they water down control orders, and I think that a good thing. Lord Macdonald said that this measure is

"an unmistakeable rebalancing of public policy in favour of liberty".

I welcome that, and I will be supporting the Government tonight, but with a very, very heavy heart.

Finally, I should like to quote Benjamin Franklin:

"They who can give up essential liberty to obtain a little temporary safety, deserve neither liberty nor safety."

I wish that we did not face such choices, but we do. We should reach within ourselves for that courage to face these fears, these threats, and move forward, keeping our values.

9.16 pm

Richard Fuller (Bedford) (Con): It is a great pleasure to follow my hon. Friend the Member for Wycombe (Steve Baker), who said that the best speeches tended to come towards the end of a debate. As probably one of the last speakers I am about to show that that hypothesis is not always correct. How can I possibly match up to a Member who quoted not only Benjamin Franklin, but William Pitt and good old Ronald Reagan, in his speech in defence of his views on control orders today?

It was interesting earlier to hear the right hon. Member for Salford and Eccles (Hazel Blears) describe the original debates that went on until 4 am. I can imagine that at that time the Benches here would have been full with Members debating this important issue of liberty. We look around today and we see a lot more green Benches than people. Perhaps that is because most hon. Members

are at ease with providing and continuing these regulations and powers for the Executive, and perhaps that is to be welcomed. But I think that ease comes largely because of our fear of the worst if those powers were taken away. I am not sure that that is the best way for us to set our laws, so I am not at ease with what is being proposed here today.

We have heard today from people who are learned in law and people with experience of making these tough decisions in the Executive. I have neither of those things, so I come from a simpler point of view, which is that in England we should not lock people up without telling them why. In supporting this legislation today, we are essentially denying that statement. It has been said that we should not trust all Home Secretaries—perhaps not all Home Secretaries—but I certainly trust and have faith in the current Home Secretary. She has brought a skill and effectiveness to an extremely difficult brief and has impressed Members on both sides of the House. As many hon. Members have said, the Home Secretary understands and bears the weight of more knowledge and has more access to knowledge and people with knowledge than we do ourselves.

The context for what is being proposed essentially stems from the events of the last 10 years. The hon. Member for Islington North (Jeremy Corbyn) recounted some of those, from the rise of radical ideology, through the nurturing of terrorism, the convulsions after 9/11, the invasions of Iraq and Afghanistan, the attacks here on UK soil and those attacks that have been prevented. Those are indeed mighty issues for the state to handle, and I do not doubt the sincerity of Governments of any colour in how they wished to handle them. Those challenges certainly demanded a robust approach, but one that should have preserved our core values and freedoms, because they are beacons for a wider world that yearns for the freedoms that we have. We have a responsibility beyond these shores to ensure that, in setting our laws, we set an example that we wish other countries to follow. That should be the highest of examples we can set.

The previous Government's response may now be judged to have been overreach and their actions to have done too much damage to our precious freedoms and to have been in some respects ineffective or counter-productive. Those measures included detention without trial, secret courts, special attorneys, hidden evidence, the imposition of high levels of restriction on people who were never charged and did not know the case against them, forced relocation, internal exile and the transfer of judicial authority to the Executive branch. We were told, "Don't worry, because they are all temporary emergency measures, so they are okay." Well, in my view they were never okay, and as the years passed they seemed less and less temporary.

For this Government, the test for how to change the legislation had to be set higher. The Bill before us declares it as such:

"A BILL TO Abolish control orders".

As many hon. Members have said, it would have been fine if it had stopped there, but it went on to state that it would also

"make provision for the imposition of terrorism prevention and investigation measures."

There we get into the weighing up of the freedoms on one side and the prevention of harm on the other. The details do not live up to the billing. In the absence of my right hon. Friend the Home Secretary, I must ask: when did we shift away from fundamental challenge based on principle? When did our assertion of centuries-old principles of English justice succumb to one more round of Executive caution? For me, there must be good, specific reasons behind the rationale for each measure and specific examples of their effectiveness. That will be the challenge in Committee and, if it is not met there, when the Bill comes back on Report, because general statements will not help. They will lead us to similar mistakes that we now see that the previous Government, even with the best intentions, may have made in their legislation.

I have two concerns, one of which I will talk about for most of my speech and the other I will mention briefly. My main concern to address to the Minister is the omission of the immigration bail conditions imposed by the Special Immigration Appeals Commission. Control orders were originally intended for UK citizens and non-UK citizens, but now they are exclusively for UK citizens. At the end of 2006, 18 people were on control orders, nine of whom were non-UK citizens. At the end of 2010, 10 people were on control orders, all of whom were UK citizens. My question to the Minister is this: have SIAC bail conditions been used as a proxy for control orders? Why are they not included in this review to bring those conditions to the same level as the Government now propose for control orders? SIAC bail conditions will still permit forced relocation, forced curfews, monitoring with the same level of secrecy and the lack of access, all without any charges being brought. They belonged in the Bill, so I look forward to hearing from the Minister why they are not there.

I will bring an example to the attention of the House. We have heard about CD and about AM, but I would like to talk about Y—Mustapha Taleb. I read about him in the book "Ricin". Ricin was one of those footnotes in the approach to the Iraq war, with the "ricin plot", or, some would say, the "ricin plot that never was".

Mustapha Taleb came to the UK in 2001, having been tortured in his home country of Algeria. He was arrested in 2003 as part of the "ricin plot", taken to court, tried and found not guilty of all charges. He was arrested again in 2005, after the 7/7 attacks, and SIAC imposed immigration bail conditions on him. Those conditions have been in place effectively for the six years subsequent to that point, so when people talk about one year or two years, they ought to understand that people in this country now have been living under conditions as severe as control orders for the past six years—and there is no relief for them in the Bill.

What does that say about British justice—forced relocation, imposed curfews, the monitoring of all communications and a denial of freedom for six years? For what? We do not know. Mustapha does not know, he has not been charged; his lawyers do not know, they have not seen the evidence; and I do not know why those conditions are not being relieved in the Bill. I strongly urge the Home Secretary to accept, and hope that she will do so in Committee, an amendment to bring them into the same form as control orders.

My second point, and quickly, is on temporary versus permanent. I mention it not only because I support the notion of many hon. Members that a review each year would be helpful, but because, having listened to the debate, it is quite clear that when someone goes from the Opposition Benches to the Government Front Bench

[Richard Fuller]

the intention, the principle and the idealism are lessened—and lessened to the point of extinction. That position may well be right, but it is important that we challenge it every year here, where those voices of idealism can still be heard, even if today they make up a minority of the voices who were here six years ago. They still deserve to be heard every year on the matter.

I have great confidence in our Home Secretary and, of course, understand that as a Back Bencher I have only partial access to the information that she and Ministers have. I do believe, however, that we have missed an opportunity with this Bill to restore English liberty to its highest levels of respect. I urge the Government to consider a sunset clause and to align immigration bail conditions with the new control orders.

In the case of Mr Taleb, I just quote the members of the jury who acquitted him. When the SIAC conditions were put in place, they subsequently said:

"As three ordinary members of the public we have had our eyes opened to such an unfair and unjust sequence of events orchestrated by the authorities that we feel compelled to speak out. This is contrary to anything we thought could be possible in a democratic, free society. Since January 2003, 'Y'"—

Mustapha Taleb—

"has been persecuted by our government beyond all realms of imagination."

I urge the Minister to listen to that and to look for further changes.

9.28 pm

Bob Stewart (Beckenham) (Con): May I first apologise to the House? I was present for the opening speeches, but I have been chairing the first 1968 dinner of the all-party armed forces group, 1968 being the only year when a British soldier, sailor or airmen has not died in combat. I apologise to the House for not being present for most of the debate. I apologise also if I repeat any arguments that my hon. Friends on both sides of the House might have made while I have been absent.

We are all aware of our first duty: to protect the people of our country. Getting that right is not a matter of politics—of one side of the House or the other. We must have a bipartisan approach to something as important as that, and it is our duty to get it right. Terrorists have no such duty. They adhere to no rules or laws whatsoever. I once spoke to a Mujahedeen terrorist and asked him what he was about. He said, "My aim is to frighten my enemies so much that they do whatever I want them to do." We must bear in mind that that is a terrorist aim. The old Stalinist maxim—I think it was Stalin who said it—is "Kill one, frighten 10,000." Our laws are designed to stop this happening. The terrorists aim to kill. Our security forces, as many people in all parts of the House know, want to kill nobody. They do not want to inconvenience anyone, either. They have to act within the law; terrorists do not. We all know that our security forces often operate in metaphorical handcuffs because they are tied by laws that do not apply to terrorists. In a way, terrorists operate freelance.

It is our duty to make fair, democratic, decent law. We need to balance the risks to the public, assistance to our security forces and, indeed, the human rights of terrorist suspects, because they are not guilty until they are proven to be guilty. This is the essence of today's debate. Have control orders been too severe? Can their conditions be lessened without additional risk to the public, while perhaps increasing assistance to the security forces who are trying to stop terrorist operations at the same time as making sure that our decent traditions are upheld?

I quite like clause 2. Under clause 2, restrictions are imposed à la carte. They are not blanket restrictions; they are designed for particular instances. They are flexible and allow for more severe measures if necessary. The people in authority determine what those measures are in a balanced way because their primary duty is to keep society safe. They also have to maintain civil liberties. I am mindful that in the United Kingdom everyone is presumed innocent until they are proven guilty. I like the idea that someone who is not yet proven guilty can live as decent a life as is possible, but under control if we are worried about them. I like the idea that they can continue to work or study, under control if necessary. I am reminded, however, that seven out of 45 people on control orders have absconded—15%. We must not design a law that allows that percentage to increase.

I think that what we call TPIMs are better—just. The director general of the Security Service is apparently content with the change, but I suspect that that is largely because he or she will get increased resources in order to carry out surveillance given that the aim is to try to get these people into court as fast as possible so that we can determine whether they are guilty or innocent, which is a principle of our law. I have been part of a surveillance operation in my time. Surveillance is very manpower intensive and costly. The operation that I was involved in required 12 soldiers, and that is just the minimum. There have to be back-up people as well. That is just for the surveillance of one person. It is therefore unsurprising that the Bill suggests that there will be more resources for surveillance. I am up for that. Evidence is difficult to obtain. It is particularly difficult to obtain when one closely observes someone so that they cannot move. In a way, let them have enough rope to hang themselves. Let us watch what they do, make a decision and get them into court, which is what we all want. I was worried to learn that two terrorist suspects were on control orders for four years and then let go. That does not seem right to me.

I support the change from control orders to TPIMs—just. TPIMs have been called control orders-lite. People can call them what they like. I want us to have the most effective system to protect our society from people who want to do it harm. I want to ensure that the people investigating suspects have as many advantages as possible. Of course, Members from all parts of the House want to ensure that suspects have every opportunity to prove their innocence. The Bill will provide more resources for surveillance—great, I am up for that. The Bill, if and when it passes through this House and the other place, will have a duty to enhance public protection; to aid those who are charged to put away terrorists who aim to do us, our families and our friends harm; and to maintain the rights of suspects under a decent, civilised and democratic system. That is what this is all about and I hope that all parts of the House agree with that.

9.38 pm

Mr Gerry Sutcliffe (Bradford South) (Lab): This has been an important debate and I thank hon. Members on both sides of the House for the sincerity with which

they have delivered their speeches on this important issue. We have had contributions from the hon. Member for Keighley (Kris Hopkins), my right hon. Friend the Member for Wythenshawe and Sale East (Paul Goggins), the hon. Member for Carshalton and Wallington (Tom Brake), my right hon. Friend the Member for Salford and Eccles (Hazel Blears), the hon. Members for Newark (Patrick Mercer), for Perth and North Perthshire (Pete Wishart) and for Cambridge (Dr Huppert), my hon. Friend the Member for Islington North (Jeremy Corbyn), the hon. Members for Esher and Walton (Mr Raab) and for Bournemouth East (Mr Ellwood), the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips), and the hon. Members for Wycombe (Steve Baker), for Bedford (Richard Fuller) and for Beckenham (Bob Stewart). We heard a range of viewpoints, from those who think that control orders have no place in our society to those who feel that we must have something in place to deal with the small number of people who cause the immense problems that we have. As has been said, there have been 46 control orders over the six years in which they have been in place.

I think all hon. Members agreed that the safety and security of our nation should be the priority for any Government, and that that should rise above party political objectives, ambitions and gains. Perhaps, therefore, I should get the nasty business of politics out of the way at this point. We know why this Bill is here: it is a compromise between the two viewpoints that exist in the coalition. That is not just my point of view, because the hon. Member for Cambridge said that unless the Bill is changed substantially, he may not be able to vote for it on Third Reading. Clearly it is a compromise, but putting the politics to one side, we have to consider the details. Our view is that the new TPIMs regime is very similar to the control order regime that has been in place. I know that in his response tonight, and in his busy time in Committee, the Minister will take on board a lot of the viewpoints of hon. Members of all parties, and their concerns about the Bill's various clauses.

The core reason why we are discussing this matter is that terrorism affects our country not only here at home but abroad, because unfortunately many of our citizens have been killed right across the world by terrorists who do not respect or believe in the sanctity of life. We all agree that we must applaud and acknowledge the work of our security services in protecting us. They have prevented atrocities from taking place at a more alarming rate.

I do not wish to attack any hon. Member's integrity or the views that they have expressed. Having served as a Home Office Minister, I know the pressure that the Home Secretary and her ministerial team are under because of the information that they have and we do not. I know that in taking their decisions, they have to weigh up all the issues of which we cannot be aware.

Vigilance is always required in our position on terrorism. My right hon. Friend the Member for Salford and Eccles reminded us of the context of the current situation. We still have a "severe" threat alert, which is one level down from an imminent attack, so the country has to be vigilant. That is why the debate about the rights of the individual compared with the security of the many is important. She set out the background of why the control order regime was introduced. The debate about restoring the rights of the individual as against those of the majority is difficult, but it is the duty of the Government to err on the side of caution. That was why we introduced the control order regime.

We know that the Bill retains many items from the old regime. It retains closed hearings, and sanctions will still be imposed on terrorist suspects outside the criminal justice system. Groups such as Liberty are unhappy and have called the new TPIMs regime control orders-lite.

We need to consider in great detail the issues that hon. Members have raised. I was impressed by what the hon. Member for Keighley, who comes from the same area as me, said about the impact of 2001—not only the atrocities that took place but their effect in our communities in Bradford and Keighley. He was right that most right-minded people want the same things in life, but people felt threatened and frightened by different viewpoints and different ways of doing things. The Home Secretary talked about the Prevent strategy, and I am concerned about the different ideas about what Britishness is and how people from different backgrounds in our communities understand it.

The hon. Gentleman was right that in Bradford, particular attention was given to integration between the many communities, but there is anger among the Muslim community about some of the things that we in the west do. On a recent visit to Azerbaijan I heard about the problem with the Nagorno-Karabakh territory, on which there are outstanding UN resolutions that need to be enforced. There are also outstanding resolutions on Kashmir. Some of the Muslim community feel that our way of dealing with things does not recognise their interests elsewhere in the world. Rightly, people have different viewpoints and disagreements. That does not make them terrorists, and it is important to understand that people in our communities have different viewpoints.

The hon. Members for Keighley and for Beckenham said that the whole community needs to own this legislation. We must take party politics out of this. The whole of our community needs to understand why we need such regimes. Lord Carlile, the independent reviewer, said that control orders were a necessary evil.

The hon. Member for Bedford said that the original intention of control orders was to deal with foreign nationals who, for a variety of reasons, could not be deported, but that more UK citizens are now under control orders. However, the House should recognise what my right hon. Friend the Member for Wythenshawe and Sale East said because of his experience as an ex-Home Office Minister and an ex-Northern Ireland Minister—he has great experience of listening to the security services. He said that there was no book on the shelf to tell people what to do, and that the policy evolved and developed. He also rightly acknowledged that the debate creates great tension between the rights of the individual and the rights of the majority.

My hon. Friend the Member for Islington North has been consistent in his view that the rule of law should apply all the way through, and nobody has scrutinised counter-terrorism Acts more than he has.

It is perhaps right to review the situation after six years, but my right hon. Friend raised concerns about the overnight residency measures. In Committee, the Minister will have to come up with a definition of "specified residence". What do we mean by electronic communications? What about the rules on disclosure of evidence?

[Mr Gerry Sutcliffe]

The hon. Member for Carshalton and Wallington said that the Bill did not go far enough. His view is that there needs to be greater freedom. He made the civil liberties argument, and spoke of exclusions, disclosure and the time frame of prosecutions. We all believe that we need prosecutions; the question is how to get them. How do we use information that is otherwise unaccessible? My right hon. Friend asked whether information from other countries would dry up if those countries thought that it would come out in open court. That is a realistic possibility, and we must consider it.

We must ensure that the control order review group is in place. We also need to consider mental health, torture and so on. My right hon. Friend the Member for Salford and Eccles tried to put us on the right course when she spoke of the need for consensus based on evidence, and put that in the context of the threats that we face.

None of us wants to be involved in such difficult decisions or in considering the threats that individuals pose, but the reality is that we must do so for the security and safety of our nation. The hon. Member for Newark, who is a long-standing supporter of civil liberties, set out what happens when the state gets involved in too much detail and used the example of internment in Northern Ireland. The hon. Member for Perth and North Perthshire was very clear that he thinks that control orders have no place here and that the Bill is a rotten compromise.

The Opposition will ensure that we hold the Government to account in Committee. We will raise the issues of funding and resources. Will the Minister tell us whether the resources will be spent on surveillance or on prosecutions, which hon. Members raised earlier? We will look at a great number of the measures in the Bill in Committee, but we want to support the Government. The hon. Member for Beckenham was right about the need to ensure consensus, but it is the job of the Opposition to hold the Government to account. We will do so in Committee, and we look forward to that process.

9.49 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): We have had a constructive, serious and sober debate on this significant issue, and I am grateful to hon. Members on both sides of the House who have contributed to it. I apologise for the fact that, in the nine minutes that I have left to speak, I will not be able to respond in detail to all the points that have been raised, but they have certainly been listened to carefully. The debate has shown that hon. Members are committed to ensuring that we have the right legislation in place to deal with terrorism. We might, of course, disagree on some of the details, but there is a great deal of common ground between us.

It is clear that the threat from international and domestic terrorism is as serious as any that we have faced at any time, and that it is unlikely to diminish in the foreseeable future. The threat remains real and severe, and it is the duty of the Government to deal with it. It is essential that we look to the police and the security services to assist us in that regard, and I pay tribute to their work in keeping us safe and secure. In the context of the comments made by my hon. Friend the Member for Newark (Patrick Mercer), which were amplified by my hon. Friend the Member for Beckenham (Bob Stewart), I also pay tribute to the work of our armed forces overseas to provide that safety and security and to uphold the values that we hold dear.

We all understand the importance of the issues, and know how corrosive the threat of terrorism can be. Some hon. Members will have had more direct and, sadly, more personal experience of terrorism than others. There is no doubt that all of us in the House are steadfast in our condemnation of those who seek to destroy our way of life through violence. In providing the police and others with the tools that they need to deal with terrorism, we must take great care not to throw away the civil liberties that are at the core of our society. The ancient values of the rule of law and respect for individual liberties are the very things that terrorists seek to destroy, and protecting them is at the core of the Government.

This has been an interesting debate, in which a range of issues has been discussed. There has also been a feeling that we wished we were not here, and that it was not necessary to put in place measures such as these. Comments to that effect have been made on both sides of the House. Difficult decisions must be taken, however, as the contributions from the right hon. Member for Wythenshawe and Sale East (Paul Goggins) and my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) underlined. We must also protect our principles and values, as my hon. Friends the Members for Wycombe (Steve Baker), for Esher and Walton (Mr Raab), for Cambridge (Dr Huppert) and for Bedford (Richard Fuller) pointed out.

The Government set up a comprehensive review of the key counter-terrorism powers, the purpose of which was to correct the imbalance between security powers and personal freedoms and to ensure that our main counter-terrorism powers were focused, necessary and proportionate. It was from that review that the measures proposed in the Bill came about. Legislation, while important, is only part of our approach to terrorism, however. The threat from international and Northern Ireland-related terrorism is serious and will not diminish any time soon. In responding to that threat, we cannot take risks with public security. We must therefore continually adapt our approach to the evolving threat that we face, as my hon. Friend the Member for Bournemouth East (Mr Ellwood) said. That is why the Bill needs to be seen in the context of the Government's wider strategy on terrorism and protecting the public. The strategy, known as Contest, is being reviewed to ensure that it remains effective and targeted against the threats that we face. A key part of the strategy, Prevent, has been discussed in the House earlier today, and was relevant to the contribution made by my hon. Friend the Member for Keighley (Kris Hopkins).

Prevent is only one strand of the Government's approach, however. Strengthening aviation security and increasing our efforts to deport foreign terrorists under the deportation with assurances programme will also pay dividends in making this country safer. We have also ensured that the UK retains its capability to tackle the terrorist threat in a tight financial climate by providing the police and the security and intelligence agencies with significant resources over the next few years.

Jeremy Corbyn: Will the Minister give way?

James Brokenshire: I apologise, but I will not as I have a lot to get through in the five minutes remaining to me.

We are committed to prosecuting or deporting terrorists wherever possible, and our starting point will always be that terrorists should be behind bars; the rule of law and getting people to face criminal prosecution before the courts is where we want to be. That is very much our preferred option and I would certainly like to assure all hon. Members of that. It is widely accepted across the House, however, that there are and will be for the foreseeable future a very small number of highly dangerous individuals whom we can neither successfully prosecute nor deport. No responsible Government could allow such individuals to go freely about their terrorist activity.

Other steps should be advanced and we need to take them forward. That is why the comment of my hon. Friend the Member for Newark about post-charge questioning is so relevant. That is why the Government intend to make the necessary PACE—Police and Criminal Evidence Act 1984—code changes after a statutory consultation before the summer recess.

Points were made about plea bargaining, and the review of counter-terrorism powers said that further work would be undertaken to ensure that full use is made of the provisions in the Serious Organised Crime and Police Act 2005 to increase the evidence and intelligence dividend from defendants and prisoners in terrorism cases.

Intercept evidence was also raised. The lawful interception of communications plays a critical role in tackling serious crime and protecting the British public. Almost all the highest priority counter-terrorist operations and many other serious crime investigations involve the use of intercept. Hon. Members will be aware from the written ministerial statement of 26 January of the ongoing work of the advisory group of Privy Councillors. We will report back on their work in due course.

Mention was made of the special advocates and the disclosure of secret information. The Green Paper is being worked on and we are very cognisant of the issues relevant to it as well as of the many cases relating to it. My hon. Friend the Member for Bedford mentioned the role of the Special Immigration Appeals Commission and the use of secret information in that context. We are considering these issues and the key concerns that have been flagged up, and we will come forward with the Green Paper in due course. I should add the assurance that we will continue to make progress on the issue of deportation. The hon. Member for Islington North (Jeremy Corbyn) and my hon. Friend the Member for Carshalton and Wallington (Tom Brake) mentioned the assurances required on that issue, and we take our international obligations extremely seriously when it comes to assessing the pertinent issues.

Let me quickly address the point made about safety and security by the right hon. Members for Salford and Eccles (Hazel Blears) and for Wythenshawe and Sale East (Paul Goggins). The Government believe that the package of TPIM restrictions strikes the right balance between protecting the public and protecting the rights of individuals who have not necessarily been charged with any offence. The director general of the Security Service has told the Home Secretary that he considers the changes as providing an acceptable balance between the needs of security and civil liberties, and that the overall package mitigates risk.

Difficult issues arise here, and we are very cognisant of them, while remaining focused on the need to deal with the small number of people who pose a real threat to our security, yet who despite our best efforts cannot be prosecuted. That is why I say, regrettably, that the measures in the Bill are required to deal with this continuing threat in a more targeted and more tightly defined way. That is what we believe is appropriate; that is what we believe is necessary; that is what I think best reflects the needs of this country in giving that continued assurance. This Bill gives effect to those objectives. I commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time.

TERRORISM PREVENTION AND INVESTIGATION MEASURES BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Terrorism Prevention and Investigation Measures Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 5 July.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

7. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Jeremy Wright.)*

Question agreed to.

TERRORISM PREVENTION AND INVESTIGATION MEASURES BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Terrorism Prevention and Investigation Measures Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by a Minister of the Crown by virtue of the Act, and

(2) any increase attributable to the Act in the sums payable out of such money under any other Act.—*(Jeremy Wright.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Mr Speaker: With the leave of the House, I will take motions 5 to 7 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CUSTOMS

That the Export Control (Amendment) (No. 3) Order 2011 (S.I., 2011, No. 1127), dated 14 April 2011, a copy of which was laid before this House on 15 April, be approved.

REPRESENTATION OF THE PEOPLE

That the draft Representation of the People (Electoral Registration Data Schemes) Regulations 2011, which were laid before this House on 26 April, be approved.

That the draft Electoral Registration Data Schemes Order 2011, which was laid before this House on 26 April, be approved. *—(Jeremy Wright.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

EUROPEAN CONTRACT LAW FOR CONSUMERS AND BUSINESS

That this House takes note of European Union Document No. 11961/10, a Green Paper from the European Commission on policy options for progress towards a European Contract Law for consumers and businesses; supports the Government's response to the Green Paper, sent to the European Commission on 10 February 2011; and agrees with the terms of that response.*—(Jeremy Wright.)*

Question agreed to.

Bob Russell (Colchester) (LD): On a point of order, Mr Speaker. I wonder whether you have received any requests from Defence Ministers to come to the House to try to clarify reports in the press of proposals to cut the wages of members of 16 Air Assault Brigade and the Parachute Regiment in general. Today, 16 Air Assault Brigade had its welcome home parade through Colchester, and tomorrow, at Bury St Edmunds cathedral, there will be a service of thanksgiving which will also be a memorial service for those who have just fallen in Helmand province. Do you agree, Mr Speaker, that Defence Ministers should come and explain what is going on? Are they seriously proposing to cut the wages of members of the Parachute Regiment?

Mr Speaker: The hon. Gentleman asks me a straightforward question, to which the straightforward answer is no.

Care Services (Older People)

Motion made, and Question proposed, That this House do now adjourn.*—(Jeremy Wright.)*

10.1 pm

Stephen Lloyd (Eastbourne) (LD) *rose—*

Mr Speaker: Order. Before the hon. Member for Eastbourne (Stephen Lloyd) begins his speech, may I appeal to Members who are leaving the Chamber to do so quickly and quietly?

Stephen Lloyd: Thank you, Mr Speaker.

As an officer in the all-party parliamentary group for ageing and older people and an active member of the all-party parliamentary group on dementia, and as the Member of Parliament representing Eastbourne and Willingdon, an area that contains nearly 25,000 people over the age of 65, I called for this debate because the current system of care for older people is in crisis. The recent awful and shocking exposé by the "Panorama" programme is a desperate indictment of the worst in care provision, but it would be a naive mistake to believe that there are no other examples of bad practice out there. The growing age profile means that any Government will face difficult challenges for many years to come, and despite the growing demand, care provision has faced years of austerity with almost no net spending increase.

There are currently 291,000 people in residential and nursing homes in the United Kingdom, along with 6 million carers who allow people to live in their own homes. That means that an extremely large proportion of the United Kingdom's population is directly affected by care service provision. Those who work in social care, or who care for someone on a voluntary basis, are the backbone of our society. They are the unsung heroes whose voices often go unheard, not least because they are simply too preoccupied with the enormousness of the task in hand.

A number of my colleagues who are present this evening will probably focus on several areas of care that affect older people, but I will focus mainly on dementia and on care service provision for dementia sufferers. I look forward to hearing the Minister's response.

Penny Mordaunt (Portsmouth North) (Con): I congratulate my hon. Friend on securing the debate. He mentions the increased demand resulting from an older population, but does he agree that we are starting from a very low base? In Portsmouth there are 1,000 people with dementia who have no access to services. It is necessary not just to improve the quality of services that people are already receiving, but to give people access to services in the first place.

Stephen Lloyd: I agree. My hon. Friend's important intervention is relevant to one of the key issues with which I shall deal in my speech. Not only have the dementia figures risen hugely over the past few years—and they will clearly continue to rise—but there are still many tens of thousands of people with dementia throughout the UK for whom there is no provision whatsoever.

Let me put some of the figures into perspective. There are currently 750,000 people with dementia in the UK, and the number is set to rise to over 1 million in the next 15 years. One in three people in the UK over the age of 65 will die with dementia. People with dementia are significant users of both health and social care services. For example, people over 65 with dementia are currently using up to one quarter of hospital beds at any one time. That is an enormous problem.

Tracey Crouch (Chatham and Aylesford) (Con): I congratulate the hon. Gentleman on securing this important debate. We have served together for some time now on the all-party group on dementia, and we have spoken on many occasions about the impact of dementia patients on primary health care. Does he agree that one way of addressing the problems of dementia patients receiving care in hospitals is by making sure that the professionals on the wards have mandatory training?

Stephen Lloyd: That is an important point. My partner is a community matron, and a wee while ago I made a rather foolish comment by asking why, with all the skills she and her colleagues have, they do not cover dementia as well. She gave me very short shrift, and emphasised, in her splendid way, "Stephen, dementia care is a very specific need. We all need more and better training on it, and also, to be honest, we need more specialist dementia nurses." I certainly agree that it is essential that there is training for all professionals dealing with dementia.

The exponential growth of this debilitating condition is a result of the growing age profile. Today, we are dying in our 80s. That is a good thing of course, as many older people lead full and productive lives, but it also brings its own set of challenges, one of which is that one in six people over the age of 80 suffer from dementia.

I am grateful that the coalition Government have stated their commitment to the national dementia strategy. I have had meetings on this issue with the Minister, so I am also grateful that he is present this evening. I also congratulate the Government on revising the implementation plan. Under this revised plan, dementia will be a major priority for the coalition, which I welcome, but I also look forward to hearing some of the specific detail.

I remain very concerned about provision on the ground. In my constituency of Eastbourne, we are desperately short of specialised dementia day-respite provision, and even more so of overnight and longer term respite. The funding to my local county council has not kept up with demand. That has been the case over the last 10 to 15 years, so it is not a recent phenomenon, but as a result of funding restrictions East Sussex county council has had to close a couple of respite care centres over the past few years, and I know that there are similar situations across the country. To put it bluntly, we in Eastbourne need at least three to four times more specialist dementia respite care provision, and I suspect that, broadly, there is a similar shortage across England and Wales.

This is not a new problem, and I am glad the coalition is recognising it by pledging an additional £2 billion. It is very significant that that extra money is being made available, especially in the current difficult times, so I am grateful for that, but I also want the detail, because I still have concerns about the pledges at the top not filtering down to the grass roots. Early diagnosis and intervention are essential to ensure taxpayers get the best value out of the substantial amounts the Government are spending on health and social care, and that will guarantee the best quality of life for dementia sufferers. This step will also reduce crisis admissions to hospital and release significant cost savings.

My hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) and I are members of the all-party group on dementia, and the Alzheimer's Society has been tremendously helpful in providing support to our group. Recent evidence collated by the Alzheimer's Society shows that only 40% of people with dementia have been given a formal diagnosis, and the figure varies considerably across the UK. Where people do receive a diagnosis, it often comes late on in their condition, limiting the choices that people with dementia and their carers can make.

In addition to being given a diagnosis of dementia, people with the illness need to be able to access support and care early on in their condition, as my hon. Friend the Member for Portsmouth North (Penny Mordaunt) was saying. Services for people with dementia are skewed towards those in crisis situations, and people in the acute and long-term care sectors. As I have indicated, there is a lack of provision of support and care for the people with dementia who live in their own homes.

Despite the projection that more than 1 million people will have dementia by 2025, dementia research is severely underfunded in comparison with research into other major diseases such as heart disease or cancer. For example, the Government spend eight times less on dementia research than they do on cancer research. Not in a million years would I want to reduce the amount of money spent on cancer research but, as we all know from our constituencies, dementia is a time bomb ready to explode. I know that the Government are investing more on research but I want to hear some of the detail. Clearly more money must be spent on research into this condition, as developing new treatments has the potential to reduce significantly the number of people with dementia. For example, delaying the onset of dementia by five years would halve the number of deaths from the condition, thus saving 30,000 lives a year. I therefore welcome the coalition's commitment—this was also a pledge in the Liberal Democrat manifesto—to prioritise dementia research within the health research and development budget, and I look forward to reading the Department's plan to improve the volume, quality and impact of dementia research.

The Dilnot commission, which is due to report next month, provides an opportunity to resolve the historic and unsolved question of whether, as a society, we are able and willing to support people to live well in later life. The Dilnot commission must propose a road map for the delivery of a long-term settlement on the question of who pays for care and one that delivers significant improvements in access and quality. The funding envelope for social care must be increased to meet the needs of our ageing population, including the increasing number of people with dementia.

So what would I like to see happen? First, I wish to see a long-term settlement for social care that offers good quality care for people with dementia at a fair price, along with a set of guarantees about what people

[Stephen Lloyd]

can expect to receive. As a starting point, I challenge the Minister by saying that the state should provide a minimum level of care and support for free. Guarantees about the care to be provided should include access to early intervention services, regular short breaks for carers and a guarantee that the care will be of high quality. One of the things to come out of recent research is that the earlier dementia is identified, and the earlier interventions are made and people with dementia are supported in a respite care background, the more the worse rate of dementia appears to be delayed—already we know that it is delayed by a good two or three years. So this is one of those things that really would save money in the long term.

If we are to revisit the Health and Social Care Bill, as I believe we may well do very soon, I would also like to see something else that is important. I know that the Minister feels passionately about this, so I am glad to be pushing at an open door. I am talking about better joined-up working between health and social care. However many years ago it took place and for whatever reason, it was a catastrophe that we split social care from the NHS. That has been appalling because social care budgets have been trimmed repeatedly over the years. In Eastbourne, as in every constituency, the social care sector deals with the respite care provision and the money has been cut every year, whereas the NHS, where money has not been cut—a lot of investment has gone into the NHS in the past 15 to 17 years—is dealing with people with dementia right at the crisis stage. It is an incredibly inefficient way of dealing with a desperate illness and it does not make financial sense. Better joined-up working between health and social care is essential for people with dementia.

I believe that integration of care pathways across health and social care services should also be considered a duty, similar to effectiveness, safety and quality, and should be applicable to all health bodies from the Secretary of State downwards. I recognise the important role that health and wellbeing boards could play in encouraging greater integration between health and social care and I strongly endorse their inclusion in the Bill. Health and wellbeing boards can also provide a strategic oversight for the development of local health and social care services and the proposed boards in the Bill must have a strong focus on dementia.

Finally, we come to multi-disciplinary commissioning. Let me use my partner as an example again: she is a community matron and her job is to go out into the community and to help people, mostly older people, to retain their independence by living at home. A lot of her work involves liaising with social services, the primary care trusts and the acute trust and doing all the multi-disciplinary co-ordination that is so necessary. We need to bring it into commissioning. I am concerned that most GPs might not necessarily know enough about dementia to commission effective services, so it would be beneficial in my view if a range of health and social care professionals could also be involved. I am not against GP consortia in principle, but I merely want more professionals from the different areas of health and social care to be involved in the commissioning process, such as nurses, occupational therapists and old age psychiatrists.

I suspect that we have all been touched personally by the impact of dementia on someone we love. In my family, two of my aunts had dementia and one still lives with it every day. It is a desperate illness that affects hundreds of thousands of people and it has an impact on millions. My aunt is an example: she is a lady who rode a scooter from Nairobi to Johannesburg and climbed Mount Kilimanjaro in the '50s. She is an amazing, great woman who was a teacher for 50 years in east Africa. The dementia she has now is desperately sad—thankfully not so much for her, but for all the family around her. It is a desperate illness that affects many people and it is not going away any time soon. As a nation, we need to move up a gear. We need to get better at providing care for dementia sufferers and their families and we need to do it now.

10.17 pm

The Minister of State, Department of Health (Paul Burstow): Let me start by congratulating my hon. Friend the Member for Eastbourne (Stephen Lloyd)on securing the debate and setting out the issues so clearly, as well as for his work as an officer of the all-party group on dementia. I suspect that many of his colleagues in the Chamber listening to the debate have been inspired to be here by their association with that group.

Social care is seldom in the news for good reasons and my hon. Friend was right to begin by referring to some of the most recent scandals that the House discussed earlier today, not least the terrible abuse at Winterbourne View. As I said earlier, the events that took place in that hospital were appalling and, as I explained, I am determined to do everything I can to ensure that the lessons are learned, understood and acted on swiftly.

My hon. Friend has painted a fairly bleak picture of social care, and although I am not quite so gloomy I am not complacent about what needs to be done. The system of social care that the Government inherited last year was and still is fragile. The legal framework that governs social care was written for a bygone era and is now so complex and byzantine as to leave people confused and frustrated. The way that we pay for long-term care is a classic wicked issue of politics—one that is occasionally taken out of the "Too difficult to deal with" drawer, only to be looked at and shoved firmly back in again—because most people in this country are blissfully unaware of how social care is paid for. They are blissfully unaware of the fact that it is not free, that it never has been free and that many people face the potential of catastrophic costs when they come into the social care system.

My hon. Friend has rehearsed his views about what future funding arrangements might look like. I am clear that there is no perfect solution—no solution that can possibly please and satisfy everyone—but we need to strive to reach a settlement that requires trade-offs but also secures the necessary change and sustainability of a system for the future. That is why the Government have been quick to put in place the building blocks of a reform system—quickly establishing the Dilnot commission to recommend reform of how we pay for care and support, and securing the current system by committing an extra £2 billion for social care by 2014.

My hon. Friend talked about the importance of integration. I can tell him that the unprecedented transfer of NHS resources to social care, which this year amounts

to £650 million, is indeed fostering new relationships between local government and the NHS to allow the greater integration and closer working that are essential to enable us to deliver better services for the public whom we are here to serve. He also talked about the schism between health and social care. It is worth noting that that schism was set into the very foundations of the NHS under the National Health Service Act 1946 and then the National Assistance Act 1948, so we have to look back a long way to see when that split occurred.

The main focus of my hon. Friend's remarks has been the challenge of dementia. Each year, about 65,000 people are diagnosed with dementia, which touches the lives of many families, as he has demonstrated by relating his experience with his two aunts. The number of dementia cases is set to rise by 38% over the next 15 years. That rise reflects the fact that many more of us are living for longer, but we should not cast that in the language of consternation. We should see it as a cause for celebration that so many more people are living for so much longer; the key is making sure that in those extra years we have quality of life as well. That is why we need the NHS, as well as social care and society, to rise to the challenge.

Let me offer some hope to my hon. Friend. We can do much better for people with dementia and their carers. In coming to office, I took the view that we should stick with the existing national dementia strategy and deliver it in full, because at our heart the coalition Government are committed to the notion of greater personalisation so that people have real control over the services that affect their lives and so that carers have a much bigger stake in the system. As he has said, commissioning is key to delivering that vision and the objectives in the strategy. Good commissioning can make a huge difference.

Tracey Crouch: The Minister mentions carers, who have a very difficult job—none more so than those who care for people with dementia. Next week is carers week. Will he join me in congratulating those who care for people with dementia, which is particularly challenging? Those people are often the unsung heroes of our society.

Paul Burstow: I am very grateful to my hon. Friend for making that very important point. The 6 million or more carers in this country are undoubtedly the backbone of our care system and save us a large sum of money—over £100 billion according to the most recent estimate by Carers UK. I will go beyond thanking them and make the point that the Government have committed £400 million extra to supporting the extension of respite support for carers. We are determined to make sure that that money gets through to those who need it.

My hon. Friend the Member for Eastbourne's remarks about commissioning and the need for it to be multidisciplinary, involving social care and other expertise, is undoubtedly right. Indeed, my Department is in the process of developing a pack to support health and social care commissioners, particularly in relation to dementia commissioning. It will offer guidance on key aspects of dementia care and the need for early diagnosis and intervention. My hon. Friend was right to refer to the under-diagnosis and late diagnosis of dementia and how that can reduce life chances and the opportunity to plan for the progression of the disease. There will also be guidance on offering better support for people at home and in care homes and on providing better care in hospitals, which means addressing issues of training that have been mentioned.

Chris White (Warwick and Leamington) (Con): Does the Minister agree that excellent examples of charities and social enterprises such as Castel Froma in my constituency that put social goals before short-term profit provide some of the best models for the future of care homes? Should the Government not do all that they can to encourage the provision of services by those organisations to the sector?

Paul Burstow: I am grateful for that point. Part of the Government's growth strategy is about recognising the value that micro-enterprises and social enterprises can offer in delivering good-quality social care.

We are producing supporting guidance for commissioners on the reduction in the use of anti-psychotic medication, which is often overlooked by commissioners. Having spent a decade campaigning for an end to the inappropriate and over-prescribing of anti-psychotics, I was delighted when the previous Government finally commissioned an independent review that clearly revealed the cost of the use of those drugs—lives shortened, lives dimmed, and 1,800 deaths a year, which is truly shocking. That is why as a Minister I am determined to hold the system to account to deliver a two-thirds reduction in the prescribing of those drugs by November this year. That ambitious target was set in 2009, and it requires action by a number of agencies and the provision of the alternatives that my hon. Friend the Member for Eastbourne discussed.

To make that change, the Government need active support from the front line, the third sector and professional bodies, and we have worked closely with Dementia Action Alliance and many other organisations to support a national call for action to reduce the use of anti-psychotics, which will be launched later this week. My hon. Friend discussed the variation in services across the country, and it is worth saying that the NHS spends £8.2 billion a year on dementia. I do not think there is compelling evidence that it is all well used, which is why we are auditing service provision around the country to gauge progress, for example in the development of memory services. Taken with clear requirements on primary care trusts to publish their dementia plans and work with their social care partners, there will be more transparency than ever before, so commissioners will be held to account for delivery in that area.

My hon. Friend touched on a number of issues relating to NHS reforms, and discussed the need to improve research. I have the privilege of chairing the ministerial advisory group on dementia research, and one of the key issues in delivering more investment in dementia research is securing more quality bids for research funds in the first place. I am delighted that more than 121 new bids have recently been made and are being evaluated, making it very likely that I will be in a position later this year to announce good news about our moving towards significantly increased investment in dementia research. The key is not just throwing money at the problem but making sure that the talents in scientific skills in this country are brought to bear on it, and that expertise is brought into this area to make sure that we solve the problems effectively.

[Paul Burstow]

My hon. Friend made some important points about NHS reforms. Having just concluded the listening exercise, we are waiting for Steve Field and the NHS Future Forum to publish their conclusions next week. My hon. Friend discussed the role that health and wellbeing boards can play in integrating services. That is something that was part of the original legislation and which, I am pretty certain, will remain in the legislation. It is an essential building block in delivering more integration of health and social care.

In conclusion, health and social care reform is long overdue. My hon. Friend made a powerful case for acting swiftly on that reform. The Government have acted in a determined fashion to put in place the building blocks to enable that reform to take place. We have secured the funds to sustain the system while we put those reforms in place, and we are committed to delivering on dementia. I have no doubt that if we deliver good-quality dementia care services and model our services around the needs of dementia sufferers and their families, care and compassion will be built into the system, which will address many of the concerns that have rightly been rehearsed in the House over recent months. It will also enable us to get the very best out of the £8.2 billion that is already spent on dementia services, and ensure that the extra resources that this Government are putting into the NHS over the next few years get to the front line and deliver the improvements that all Members want to see.

I am grateful to my hon. Friend the Member for Eastbourne for raising the subject this evening, and I look forward to continuing to work with him through his all-party group to make sure that we keep these issues firmly in the spotlight, driving forward the improvements that all our constituents expect.

Question put and agreed to.

10.30 pm

House adjourned.

House of Commons

Wednesday 8 June 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

NEW WRIT

Ordered,

That the Speaker do issue his Warrant to the Clerk of the Crown to make out a new Writ for the electing of a Member to serve in this present Parliament for the County constituency of Inverclyde in the room of David Cairns, deceased.—*(Ms Winterton.)*

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Fraudulent Use of Aid

1. **John Cryer** (Leyton and Wanstead) (Lab): By what means he plans to assess levels of fraudulent use of aid in fragile and conflict-affected states. [57736]

The Secretary of State for International Development (Mr Andrew Mitchell): The Government are committed to spending 30% of UK aid on conflict-affected and fragile states where the millennium development goals are most off track. We have a zero-tolerance approach to fraud and other abuse and all our programmes include safeguards to ensure that taxpayers' money is spent properly.

John Cryer: A very high proportion of that taxpayers' money flows through the EU. Is the Secretary of State satisfied that that EU money is being properly used and accounted for?

Mr Mitchell: About a third of that money goes to the European development fund, which scored highly in the multilateral aid review, and that suits Britain's interests because around 40% of it goes to Commonwealth countries and we contribute only 17%. The money spent through the budget is £800 million, over which we have much less control, and we are seeking to ensure that it is better deployed.

Malcolm Bruce (Gordon) (LD): The Secretary of State will of course acknowledge that the Government have committed additional funding to post-conflict states because that is where the greatest poverty and the greatest risk of falling back into conflict lies. Nevertheless, does he accept that, although we must do everything we can to stamp out corruption, it is precisely in those difficult climates that risks must be taken if achievements in poverty reduction and conflict prevention are to be secured?

Mr Mitchell: My right hon. Friend is absolutely right that there are greater risks when operating in conflict states, but in such states the very poorest in the world lose out twice over, once because they are poor and again because they are living in frightening and conflicted circumstances.

Mr Peter Lilley (Hitchin and Harpenden) (Con): I welcome my right hon. Friend's commitment to a zero-tolerance attitude to fraud. Will he encourage the World Bank to continue to have its regular survey of 32,000 small businesses across different developing countries, which shows that although fraud is a problem, it by no means absorbs all the aid entering those countries, as bar-room gossip would have it, and that it is more prevalent in south Asia than in Africa?

Mr Mitchell: My right hon. Friend's analysis is absolutely right. He will have seen the world development report, produced by the World Bank, on working in conflict states, which focuses on security and development. It is a very good report, produced at Britain's request, which focuses specifically on the points he has made.

Bilateral and Multilateral Aid

2. **Jake Berry** (Rossendale and Darwen) (Con): What steps he is taking to improve the transparency of bilateral and multilateral aid. [57737]

The Minister of State, Department for International Development (Mr Alan Duncan): We have introduced the UK aid transparency guarantee, under which we have published greater and more detailed information on the Department for International Development's aid expenditure than ever before, and we have actively encouraged our multilateral and other partners to follow our lead. I welcome the launch today of the Make Aid Transparent website, which is supported by a coalition of more than 50 civil society groups from more than 20 countries.

Jake Berry: I thank the Minister for his answer. Just as the Prime Minister has called on others in the G8 to live up to their promises on their aid budgets, will the Minister assure me that the Government are calling on others to increase the transparency of their spending and will he update the House on the international aid transparency initiative?

Mr Duncan: My hon. Friend is absolutely right that the Prime Minister secured agreement in Deauville that the G8 should begin to lead rather than follow on aid transparency. DFID also leads the international aid transparency initiative, an alliance of 19 major donors. Under our leadership, a new aid transparency standard was agreed in February and is already being implemented by DFID, the World Bank and the Hewlett Foundation, with many more set to follow later this year.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): In view of the lobbying of the House tomorrow by international development enthusiasts, will the Minister encourage as many people as possible to turn up, including hon. Members, to make our contribution to international development awareness?

Mr Duncan: I fully share the right hon. Gentleman's enthusiasm for international development awareness, and when it comes to transparency there is already much praise for what the UK is doing. For instance, Publish What You Fund recently said:

"As well as focusing on its own breadth and quality of publication, its"—

DFID's—

"commitment to influencing others sets important precedents for aid transparency on a global level."

Mr Gary Streeter (South West Devon) (Con): Does my right hon. Friend agree that the better we can demonstrate the effectiveness of UK aid, and that it is not all siphoned off into Swiss bank accounts, the sooner we will get the people of this country behind our excellent and worthy notion of spending 0.7% of GDP on overseas aid?

Mr Duncan: My hon. Friend is absolutely right, and that is exactly why we have set up the Independent Commission for Aid Impact, which can evaluate the impact and value for money of UK aid. Transparency sheds light on all that is done and reduces the sort of corruption that my hon. Friend describes.

Rushanara Ali (Bethnal Green and Bow) (Lab): Does the Minister accept that the welcome continued emphasis on transparency in Government aid must also apply to businesses? Given the OECD estimate that poor countries lose $120 billion each year to tax havens, three times more than the aid that they receive, what is he doing to require companies to publish what they pay to Governments in developing countries?

Mr Duncan: That is exactly why we support the likes of the extractive industry transparency initiative, which will ensure that companies contracting with countries fully reveal what exactly they make out of their contracts.

Official Development Assistance

3. **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): When he plans to bring forward legislation enacting the commitment to spend at least 0.7% of gross national income on official development assistance. [57738]

The Secretary of State for International Development (Mr Andrew Mitchell): The coalition Government have set out how we will meet our commitment to spend 0.7% of national income as overseas aid from 2013. As the Prime Minister has made clear, we will enshrine that commitment in law as soon as the parliamentary timetable allows.

Catherine McKinnell: Tomorrow I will meet several of my constituents as part of the "Tea Time for Change" event to discuss their and my support for the 0.7% commitment. Has the Secretary of State had any recent discussions with the Defence Secretary on that important issue?

Mr Mitchell: I have discussions on those matters with all my colleagues, not least the business managers for the reasons that I set out in my original answer, but the hon. Lady is right to point out the importance of proceeding with the commitment, and that is why we have made it clear that we will.

Mr James Gray (North Wiltshire) (Con): The Secretary of State recently described Britain as an aid superstate. Can he tell us what an aid superstate is—and do we really want to be one?

Mr Mitchell: My hon. Friend refers to a comment that I made on Monday, when I said that just as America is a military superpower, so Britain is a development superpower. I was referring to the fact that throughout the world brilliant work is being done with Britain in the lead on development, and we do so because it is not only morally right but, as my hon. Friend will understand, absolutely in our national interest.

HIV/AIDS (Lesotho)

4. **Mark Tami** (Alyn and Deeside) (Lab): What steps he plans to take to reduce levels of HIV/AIDS in Lesotho. [57740]

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): The DFID Lesotho programme has helped to reduce the prevalence of HIV in garment factories from 37% to 27%, and we continue to assist 40,000 factory workers. We also provide support to HIV programmes in Lesotho through our contributions to the EU, the World Bank and the Global Fund.

Mark Tami: The Minister will be aware that almost 25% of the population of Lesotho has HIV, and one project that his Department funds is the Apparel Lesotho Alliance to Fight AIDS, which as he says targets almost 40,000 people. Will that funding carry on? If not, who will fund it?

Mr O'Brien: The hon. Gentleman is completely correct that one of the most successful programmes in Lesotho has been the ALAFA programme, which has enabled those 40,000 factory workers to obtain vital services to help with HIV/AIDS. We have just announced that we will continue that programme up to the point when we can secure long-term funding through either the EU or other donor agencies.

Simon Kirby (Brighton, Kemptown) (Con): Can the Minister confirm that the prevention of HIV is as essential as the treatment of it?

Mr O'Brien: My hon. Friend is entirely right to bring to the House's notice, and to emphasise, that prevention is as important as the treatment of HIV/AIDS. Indeed, that will be one of the major thrusts of what I say in New York tomorrow at the UN meeting on AIDS. In addition to prevention and treatment, however, we want to ensure that care and support, which has often been the neglected area of HIV campaigning, is addressed too.

Hywel Williams (Arfon) (PC): Dolen Cymru has 26 years' experience of working from Wales into Lesotho, particularly in the field of health care. What consideration have the Government given to using such a non-governmental organisation to administer some of the aid budgets in Lesotho?

Mr O'Brien: I pay tribute to and congratulate Dolen Cymru on its tremendous ongoing work with Lesotho. It has not been a recipient of DFID funds; it has been self-supporting. On 30 June, I will be travelling to Wales on a ministerial visit, so I can discuss the most appropriate way, particularly now that Wales has the newer powers, to take forward the fact that development is a national responsibility while equally ensuring that we involve all parts of the United Kingdom in continuing good development work.

UN Women

5. **Sheila Gilmore** (Edinburgh East) (Lab): By what means he proposes to determine the level of funding his Department will allocate to UN Women. [57741]

The Secretary of State for International Development (Mr Andrew Mitchell): The Department for International Development recently reviewed the value for money of British taxpayers' funding to all multilateral agencies through the multilateral aid review. We will apply the same broad criteria to UN Women's strategic plan by assessing its organisational strengths and the relevance to UK aid objectives. This approach will help to determine the level of core funding for the agency.

Sheila Gilmore: One of the key priority areas for UN Women will be political empowerment of women. What plans does the Secretary of State's Department have for backing up this work in Governments and legislatures around the world?

Mr Mitchell: The hon. Lady is absolutely right. It is incredibly important to put girls and women at the centre of everything we do in development, which is what empowerment is. We are watching very carefully how the agency is developing. We have given nearly £660,000 as transitional funding to the agency and offered support staff on secondment. I am confident that once the plan is produced we will be able to fund it. I am sure that she will understand, however, that it is right to commit taxpayers' money only when we can see what it is being spent on.

Margot James (Stourbridge) (Con): Evidence is coming from Egypt that the position of women is not advancing as a result of the Arab spring; indeed, there are concerns that it is going backwards. Can my right hon. Friend assure the House that he is using all the influence that comes with the additional money that we are investing in that part of the world to ensure that women get their fair share of that resource?

Mr Mitchell: My hon. Friend is absolutely right. There is a feeling that the role of women in the Arab spring in Egypt was very significant, and it is extremely important that their role should now be advanced. We will try to do that in a number of ways, not least through know-how funds and the Arab Partnership money that we are deploying.

Ms Harriet Harman (Camberwell and Peckham) (Lab): To follow up the point so ably made by the hon. Member for Stourbridge (Margot James), while there is no doubt that the Arab spring offers huge possibilities for democracy and human rights in Egypt, it will not be progress if women's rights are set back. Will the Secretary of State ensure that out of the generous funding that we are providing, funds will go to the Alliance for Arab Women in Cairo to make a reality of the demands set out in the Egyptian national women's statement of 4 June?

Mr Mitchell: I am considering the right hon. Lady's suggestion. We have exchanged correspondence on this, and I will look very carefully at the proposition that she puts. During my visit to Benghazi at the weekend, I had the opportunity to meet representatives of Arab women's organisations, who made a similar point. I am sure that we will be able to assist.

HIV/AIDS

6. **Mark Pawsey** (Rugby) (Con): What his policy is on tackling HIV/AIDS in developing countries. [57742]

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): The Government's policy on HIV in developing countries is set out in "Towards zero infections: The UK's position paper on HIV in the developing world", published on 31 May. I have placed a copy of this in the House today.

Mark Pawsey: I thank the Minister for his answer. Following the recent good news about a decline in the number of infections, does he recognise the contribution that has been made by UK-based non-governmental organisations, with young volunteers, often in their gap years, working overseas with young people in their communities to get across the message of how a change in their behaviour can reduce their exposure to the risk of AIDS?

Mr O'Brien: My hon. Friend makes a very good observation. Tremendous, and often brilliant, work is done by NGOs in ensuring that work on the ground is delivering results. While this can be a tremendous, life-changing opportunity for gap year students and other young people, they also need to ensure that they observe a duty of care in ensuring that those experiences are benign and deliver results.

Emma Reynolds (Wolverhampton North East) (Lab): The Minister will be aware that HIV/AIDS disproportionately affects women in developing countries. Why, therefore, have the Government dropped from their new strategy the specific commitment to measure the impact of AIDS programmes on women and girls?

Mr O'Brien: The hon. Lady is right that in sub-Saharan Africa, HIV/AIDS is primarily a disease that affects women; they are now in the majority compared with men. It is right that in putting women and girls at the heart of all our policies, we measure all the impacts on women, in particular those on the poorest women in the poorest countries. In tomorrow's meetings at the UN, there will be a keen focus on women, and we hope that something will come of that.

Climate Change

8. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): By what means he plans to assess value for money in his Department's funding for climate change prevention in developing countries. [57744]

The Minister of State, Department for International Development (Mr Alan Duncan): We rigorously assess costs against benefits in all our programmes. To measure the value for money of our climate programmes, we will look at metrics including the number of poor people protected from extreme weather events, the number of hectares of forest protected, and the number of people with access to energy.

Luciana Berger: The Minister will be aware of the decision at the last climate change summit to establish a green climate fund, and that the UK has a representative on the transnational committee that is designing the fund. Will he update the House on the progress made to date by the transnational committee and on what concrete outcomes the UK Government hope to see by the next summit in Durban later this year?

Mr Duncan: The hon. Lady is absolutely right that the fund is not yet up and running. We are on the design committee for the fund and are playing our full part in it. We want to ensure that the fund delivers results for poor people in the best possible way.

Martin Horwood (Cheltenham) (LD): The clearest message from the poorest countries at the world climate change talks in Cancun was that they face immediate impacts from climate change. Will the British Government commit to set an example to other countries by putting a high proportion of our climate finance into adaptation, as well as into climate change mitigation?

Mr Duncan: Climate change will hit the poor hardest and first. DFID will support poor people to protect their lives and possessions from the impacts of climate change, for example by raising homes on to plinths to protect poor people from flooding in Bangladesh, supporting drought-resistant crops in Malawi, and preventing coastal erosion in Vietnam. We aim to spend 50% of our climate change finance on adaptation. That will be kept under full review.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The Minister will know that if we are to meet the commitments we made at the Copenhagen climate change conference, the UK will have to allocate by next year a further £1 billion in fast-start finance to help developing countries tackle climate change. Will he confirm that the Government still intend to allocate that funding by next year?

Mr Duncan: The Government are keeping their commitment to spend 0.7% of gross national income on official development assistance from 2013. Climate finance is being met out of that rising ODA budget.

Official Development Assistance

9. **Julie Hilling** (Bolton West) (Lab): What estimate he has made of the proportion of gross national income to be spent on official development assistance in (a) 2011-12 and (b) 2012-13. [57745]

The Secretary of State for International Development (Mr Andrew Mitchell): British official development assistance as a proportion of gross national income will be 0.56% in 2011 and 2012. The Government are fully committed to delivering 0.7% of GNI as ODA from 2013 and will enshrine that commitment in law, in line with the coalition agreement.

Julie Hilling: The Government have frozen aid for two years and propose to spend money through multinational institutions, which have more expensive bureaucracy. Is it not nonsensical for DFID to cut its admin costs only to spend money through institutions with higher costs?

Mr Mitchell: The hon. Lady is not correct. The way in which we judge multilateral institutions was set out clearly in the multilateral aid review. The whole point of the two big reviews that the coalition Government commissioned on coming to power was to ensure that we deliver best value for money. It is our aim to ensure that for every pound of hard-earned taxpayers' money that we spend, we get 100p of development results on the ground.

Mr Peter Bone (Wellingborough) (Con): The brave men and women of our armed forces put their lives at risk every day to protect civilians and rebuild societies in far-off lands. That is real overseas aid. Does the Secretary of State agree that it is surprising that his budget is increasing by £4 billion when the defence budget is being cut by billions and billions of pounds?

Mr Mitchell: Having served in the armed forces, I yield to no one in my respect for them. However, I point out to my hon. Friend, who I know takes a close interest in these matters, that Britain's security is maintained not only by tanks and guns, but by training police in Afghanistan, getting kids into school in the horn of Africa, and building up governance structures in the middle east.

Topical Questions

T1. [57751] **Jake Berry** (Rossendale and Darwen) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for International Development (Mr Andrew Mitchell): Last weekend I visited Benghazi with the Foreign Secretary to meet the national transitional council and discuss its plans for the future of Libya. I also announced new British support for the clearance of mines in Misrata, Benghazi and other affected areas, to help ensure the safety of 200,000 people.

On Monday, Britain will host the replenishment of the Global Alliance for Vaccines and Immunisation, to secure global pledges to vaccinate a quarter of a billion children and prevent the deaths of millions of children in some of the poorest countries in the world over the next five years.

Jake Berry: I thank my right hon. Friend for that answer. On behalf of the whole House, may I express a great welcome to those coming to London for the GAVI pledge drive next week? What is the Secretary of State doing to encourage people who are coming to make generous pledges for the vaccination of children in the developing world?

Mr Mitchell: My hon. Friend is quite right that we are bending every sinew to ensure that we have the biggest possible replenishment. Our ambition is to be able to vaccinate 250 million children and save 4 million lives, and replenishment progress is going well. We are not there yet, but I am reasonably confident that we will get there by Monday. *[Interruption.]*

Mr Speaker: Order. There are far too many private conversations taking place in the Chamber. I want to hear Ministers' answers, and I want now to hear Catherine McKinnell.

T4. [57754] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I have been contacted by several constituents who believe that the World Bank should be leading the way towards a green economy and a greener future for the world's poor. Will the Minister outline what discussions he and his colleagues in government have had with the World Bank to ensure that there is investment in clean energy projects in developing countries?

The Minister of State, Department for International Development (Mr Alan Duncan): The crux of this issue is whether the building of coal-fired power stations should be supported. We believe that such power stations should be a last resort, and that every possible action should be taken to explore the scientific and commercial availability of carbon capture and storage.

T2. [57752] **Chris Skidmore** (Kingswood) (Con): During the Secretary of State's visit to Benghazi this weekend, what discussions did he have with the national transitional council regarding its plans for the immediate and longer-term future?

Mr Andrew Mitchell: The stabilisation response team is working flat out, together with our international allies in Benghazi, to work out what action should be taken when the conflict is over and early recovery is taking place. That work is going well, and I hope that we will have a plan within the next 10 days. It will of course be owned by the Libyan people under the umbrella of the United Nations, and it will involve all the relevant organisations in helping the Libyans to implement it.

T8. [57760] **Lilian Greenwood** (Nottingham South) (Lab): More than 1,000 supporters of international development charities, including some of my constituents, are coming to Westminster tomorrow to show their support for protection of the aid budget and for further action to tackle global poverty. Given that poor countries lose more money to tax-dodging each year than they receive in aid, what action is the Secretary of State taking to address that issue?

Mr Mitchell: I am very glad that the hon. Lady's constituents are coming tomorrow, and Members of all parties will want to support that important lobby. The issue that she raises, which was discussed in earlier questions, is very important, and I expect that we will make progress on it in the coming years, not least because of the emphasis that has been put on it in the G8 and the European Council.

T3. [57753] **Simon Kirby** (Brighton, Kemptown) (Con): Can the Minister assure us that the UK Government will maintain their global leadership role in the response to HIV and AIDS, in both policy and funding?

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): I am pleased to confirm that the commitment of the UK Government, who are the second largest contributor globally to the effort against HIV and AIDS, is set to continue. The matter will be central to the discussions that I have in New York tomorrow at the United Nations meeting.

Pamela Nash (Airdrie and Shotts) (Lab): As the Minister has just alluded to, the UN General Assembly's high-level meeting on HIV/AIDS is taking place this week. Can he assure the House that the UK will raise the issue of homosexuals being prevented from accessing information and health care in relation to HIV/AIDS in countries where homophobia is still prevalent?

Mr O'Brien: The hon. Lady is quite right that if we are to make prevention equal to treatment, it is vital that we tackle what leads to the problem, whether it is men having sex with men or injecting drug users. Both those matters often lead to some difficult discussions and policy take-up in countries that do not wish either to discuss or to accept them—

Mr Speaker: Order. We are grateful to the Minister.

T5. [57755] **David Rutley** (Macclesfield) (Con): Can my right hon. Friend the Secretary of State tell the House what progress is being made on encouraging other Arab nations to provide much-needed humanitarian aid in Libya?

Mr Andrew Mitchell: In the last two weeks, the humanitarian position in Libya has eased, particularly on the border, which some 950,000 migrant workers have left. Today, under 6,000 people are stuck on the border, so a humanitarian crisis has been avoided.

In general, we encourage all countries to play their roles in providing humanitarian support and to put their taxpayers' money into those funds. Progress on that is good.

Mark Durkan (Foyle) (SDLP): Given the sensitive time line for change in Sudan, what commitments can the Secretary of State give to people there, and particularly to those in Abyei?

Mr Mitchell: I visited South Sudan and north Sudan recently with troika Ministers from Norway and the US. The position in Abyei is extremely tense at the moment, and we call on all parties to desist from taking aggressive action and to approach the negotiations in a spirit of good will and compromise. That is the way to reach the birth of the new state on 9 July and the full completion of the comprehensive peace agreement.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [57761] **Jackie Doyle-Price** (Thurrock) (Con): If he will list his official engagements for Wednesday 8 June.

The Prime Minister (Mr David Cameron): I am sure the whole House will wish to join me in paying tribute to the following brave servicemen who have died in Afghanistan since we last met: Colour Serjeant Kevin Fortuna and Rifleman Martin Lamb from 1st Battalion The Rifles; Lieutenant Oliver Augustin, Marine Samuel Alexander and Lance Corporal Martin Gill from 42 Commando, Royal Marines; and Corporal Mike Pike from 4th Battalion, The Royal Regiment of Scotland. All of them were dedicated professionals serving our country. Their deaths are a reminder of the very high price that we are paying to stop Afghanistan being a haven for terrorists. We honour their memory and we will support their families, and we will not forget their service and their sacrifice.

This morning, I had meetings with ministerial colleagues and others, and in addition to my duties in this House, I shall have further such meetings later today.

Jackie Doyle-Price: May I associate myself with the Prime Minister's tribute to our fallen soldiers? We do indeed owe them a great debt.

We are reminded on a daily basis that not everyone in the world is as fortunate as we are in respect of the freedoms that we enjoy in this country. In particular, I should like to highlight the absolute horror of the images of the 13-year-old boy who was tortured by Syrian Government forces in recent weeks. Will the Prime Minister give me his assurance that he will use every influence he has to ensure that the international community condemns the activities of the Syrian Government and demands that their reign of terror ends?

The Prime Minister: My hon. Friend speaks for the whole House in what she says about those dreadful pictures of that poor boy. There are credible reports of 1,000 dead and as many as 10,000 detained. The violence being meted out to peaceful protesters and demonstrators is completely unacceptable. Of course, we must not stand silent in the face of those outrages, and we will not. The EU has already frozen the assets of, and banned travel by, members of the regime, and we have now added President Assad to that list. However, I believe that we need to go further, and today in New York, Britain and France will table a resolution at the Security Council condemning the repression and demanding accountability and humanitarian access. If anyone votes against that resolution or tries to veto it, that should be on their conscience.

Edward Miliband (Doncaster North) (Lab): May I join the Prime Minister in paying tribute to Colour Serjeant Kevin Fortuna and Rifleman Martin Lamb from 1st Battalion The Rifles; Lieutenant Oliver Augustin, Marine Samuel Alexander MC and Lance Corporal Martin Gill from 42 Commando, Royal Marines; and Corporal Michael Pike from 4th Battalion, The Royal Regiment of Scotland. They all showed enormous bravery and courage, and our thoughts are with their families and friends. As the Prime Minister said, that number of deaths once again demonstrates the bravery of all our forces in Afghanistan and elsewhere around the world.

We read in the newspapers today that the Prime Minister has torn up the Justice Secretary's policy on sentencing. Has he?

The Prime Minister: What we want is tough sentences for serious offenders. This Government produced a consultation paper—there was wide consultation and widespread support for many of the proposals that it made—and in the coming weeks, we will publish our legislation.

Edward Miliband: But we read in the newspapers today that the Prime Minister has torn up the Justice Secretary's proposals because he felt that he had to step in—and frankly I can see why. There is widespread public concern about the proposal to cut by 50% sentences for those who plead guilty. The consultation ended in March. The Justice Secretary was advocating the policy two weeks ago. Has the Prime Minister torn it up, yes or no?

The Prime Minister: The right hon. Gentleman should do something more useful than just read the newspapers. One response to the consultation paper came from the shadow Justice Secretary, the man sitting next to him, who said that it is

"a perfectly sensible vision for a sentencing policy, entirely in keeping with the emphasis on punishment and reform that Labour followed in government".

Why the sudden U-turn?

Edward Miliband: The Prime Minister knows, and the whole country knows, that he is in a total mess on his sentencing policy, just like on all of his other crime policies. I now want to ask about another area where he is in a complete mess. Why has he made such a mess of his health plans?

The Prime Minister: I am not surprised that the right hon. Gentleman wants to move on because on the first subject he was found guilty. On the issue of discounts, it was the last Government who introduced a 33% discount—a third—on sentences. So there is more than a whiff of jumping on a bandwagon.

Bandwagon No. 1 hit the buffers, so let us turn to bandwagon No. 2. Yes, we are having a review of the plans that we announced on health: we want to get them right. I have to say again that there has been widespread support for the review of our health plans, not least from the man sitting four down from the right hon. Gentleman, the shadow Health Secretary—I know I often quote him—who said that

"looking at the evidence of what works, listening hard to those who know the NHS and learning from the views they get…is not rocket science. It's simply good government".

What the right hon. Gentleman calls a shambles, his shadow Health Secretary calls good government. The right hon. Gentleman is not really in command of the ship.

Edward Miliband: I asked the Prime Minister why he had made such a mess of his health proposals. The first reason he made such a mess of his health proposals is the promises he made before the election. We all remember the Prime Minister touring round the country promising no more top-down reorganisations. A year before the election, he told the Royal College of Nursing:

"There will be no more of those pointless top-down reorganisations that aim for change and instead bring chaos".

Why did he say that?

The Prime Minister: What the Royal College of Nursing said yesterday was a welcome for the speech that I made. The reason that we are able to improve the NHS is not only that we are committed to reform, but that we are also committed to more funding. The Labour party is in favour of cutting funding to the NHS. If the right hon. Gentleman wants to look at what is happening in the NHS, Wales is now only one part of the country that is controlled by Labour and there waiting lists are massively up and health spending is being cut. That is what Labour would do to the NHS.

Edward Miliband: I will tell the Prime Minister why he made promises that he then broke—because he is completely shameless and he will say anything. The second reason he has made a mess of the health service is because he did not think the policy through. Last June, he ordered the NHS to stop enforcing Labour's 18-week waiting time target. As a result, the number of patients waiting more than 18 weeks has gone up by 69%. Why did he scrap the instruction to enforce the waiting time target?

The Prime Minister: The best that can be said about this performance is that—quite rightly—the right hon. Gentleman was not thinking about politics on his honeymoon. On waiting times, what actually matters is the time people wait and median waiting times are down. That is what has happened in the NHS, and that is something that he misled the House of Commons about a fortnight ago—

Mr Speaker: Order. I know that the Prime Minister will be a follower of parliamentary protocol, and he will not suggest that the Leader of the Opposition misled the House of Commons. I am sure that he will withdraw that remark.

The Prime Minister: What I meant was that the right hon. Gentleman gave an interesting use of facts on waiting times, which are down in the NHS. What we are seeing today is simply empty opposition and weak leadership. That is what we get from Labour.

Edward Miliband: The whole House will note that the Prime Minister did not withdraw his remark. He is obviously rattled over the health service. It is no wonder he is rattled, because he is making a complete mess of it, and everybody up and down the country knows it. What is the most important reason he is making a mess of the health service? However much he says he loves the NHS, and however many times he says it, the truth is that he has the wrong values. He wanted to put a free market free-for-all at the centre of our health service, and any changes he makes now are not because he wants to make them, but because he has been found out. We know all we need to know about this Prime Minister from what he has done on the NHS: he breaks his promises; he does not think things through; he is reckless; and he has got the wrong values. I will hand it to him though. After one year, he has proved the oldest truth in politics: you can't trust the Tories on the NHS.

The Prime Minister: This side of the House will not take lectures from a party that, when in government, gave £250 million to private sector companies for doing nothing. That is what happened. What we have heard today is just a series of bandwagons, and anyone who is watching this knows that it is this Government who are boldly making reforms in the public sector; who are dealing with the deficit; and who are reforming welfare, and what do we get from the Labour party? Where is the right hon. Gentleman's plan for the NHS? There is not one. Where is his plan for reforming welfare? Nothing. Where is his plan for higher education? Nothing. All we get is empty opposition and weak leadership, and the country can see it.

Q2. [57762] **Mr Robin Walker** (Worcester) (Con): Following the welcome introduction of the pupil premium, some head teachers in Worcester tell me that owing to long-term underfunding from the previous Government's flawed formula, the money is needed to make ends meet and cannot be spent on the deprived pupils it was meant for. Can the Prime Minister assure schools in both Worcester and Witney that the Government will not just consult on that formula, but reform it and correct a problem that has been too wrong for too long?

The Prime Minister: My hon. Friend makes a good point about a serious problem in our country. He is right to welcome the pupil premium, which will put more money in all our schools, particularly those that have many children from free-school-meals backgrounds. However, the current problem with the discrepancy of funding means that at present there can be a difference of £1,800 per pupil between the best-funded school and the worst-funded school. We want to reform the school funding system, and we want to do it in a fairer and more logical way. I am determined that we will make progress on this.

Mr Chuka Umunna (Streatham) (Lab): I have come here from meeting the family of my 18-year-old constituent, Nana Darko-Frempong, who was fatally shot outside his block of flats on Monday. I am sure that the whole House will want to send its condolences to his family. I raised a similar case with the Prime Minister this time last year. This senseless loss of life is completely and utterly unacceptable, yet it continues, and rightly or wrongly there is a perception that, on all sides of the House, we are not getting to grips with the root causes of this problem, which is blighting our inner-city streets. What reassurance can he give my constituents and the country that the Government are doing all they can to stop this senseless loss of life.

The Prime Minister: The hon. Gentleman is absolutely right to bring this case to the House of Commons, and I join him in sending condolences to his constituent's family on their appalling loss. He is absolutely right that the level of gun crime and knife crime in our country, particularly in inner-city areas, is unacceptable. I do not think there is one single answer. Of course, we have to ensure that the police do everything they can to search for guns and knives and have a zero-tolerance policy, but we also have to look at where these problems are coming from, including the growth of gangs in our cities and the fact that in too many cases people are looking to gang, rather than to family and community. It is incumbent on us all to try and work out how we can strengthen the fabric of our communities, starting with our families.

Q3. [57763] **Richard Harrington** (Watford) (Con): Will my right hon. Friend the Prime Minister advise me on whom to listen to on the UK's economic policy? Should it be the experts in the International Monetary Fund or the letters page of *The Guardian*? *[Interruption.]*

The Prime Minister: My hon. Friend was being shouted down because the Labour party does not want to hear what the International Monetary Fund said about the British economy. It said:

"Strong fiscal consolidation is underway and remains essential to achieve a more sustainable budgetary position"—

[Interruption.] Members ask me to read the rest, and I will read the rest. The IMF put the question specifically:

"This raises the question whether it is time to adjust macroeconomic policies"—

the question put by the Labour party—and it said this: "The answer is no". The IMF could not be more clear in backing the policies that we are pursuing to get this country back on track.

Q4. [57764] **Lindsay Roy** (Glenrothes) (Lab): What message does the Prime Minister have for the hundreds of women in my constituency in their mid-50s who feel that they have been unjustly thwarted by the extension of their retirement age, contrary to the coalition agreement?

The Prime Minister: What I would say is that the first decision was taken in 1995, when there was all-party agreement that we should equalise men's and women's pension ages, and that was done over a long period of time. The second point is that it is right to lift the pension age for men and women to a higher level more rapidly than the last Government decided. However, the key fact is that 85% of the women affected are going to lose one year or less in terms of their pension. The last point that I would make is this. Because we have linked the pension to earnings, people who retire today will be £15,000 better off than they were under the policies of the last Government.

Q5. [57765] **Mr Philip Hollobone** (Kettering) (Con): Why do magistrates have to retire at the age of 70, when the Lord Chancellor, who appoints them, is 71 this year?

The Prime Minister: The point that I would make to my hon. Friend—I speak as someone whose mother served as a magistrate for over three decades—is that it is important to get turnover in the magistracy so that new people come in. To be fair to my right hon. and learned Friend the Lord Chancellor, he has been in his job for only a year. He is doing a superb job, and I can tell the House that there is plenty more fuel in his tank.

Q6. [57766] **Mr Michael McCann** (East Kilbride, Strathaven and Lesmahagow) (Lab): The Prime Minister has an aspiration of making his Government the greenest ever. Meantime, Proven Energy, a small wind turbine company in my constituency, is making 10% of its staff redundant, not because it does not have a great product, but because planning applications for its product are stuck in town halls and bureaucracy all over the United Kingdom. Will the Prime Minister meet me and members of the Proven Energy team to discuss how we can find a solution?

The Prime Minister: I am very happy to ensure that someone from the Department for Business, Innovation and Skills—or, indeed, the Department of Energy and Climate Change—speaks with the company in the hon. Gentleman's constituency. We are reforming the planning system to try to speed up these processes. We want to ensure that local people benefit when turbines are built, so that they have a share in the success of a scheme. Also, the Government are taking action to attract manufacturers of wind turbines to the UK—for instance, by putting £60 million into our ports infrastructure—and I am talking personally to those manufacturers to try to bring them to Britain.

Q7. [57767] **Annette Brooke** (Mid Dorset and North Poole) (LD): Notwithstanding the Prime Minister's previous answer, I would, as a woman not affected by the current pension proposals, like to ask him personally to review this particular proposal, because of the injustice and discrimination against women. The group of women affected, who were born between 1953 and 1954, will be asked to work up to two extra years over and above what they had planned for, whereas men will be asked to work only an extra year. It is the discrimination that concerns me.

The Prime Minister: I do understand the point that the hon. Lady makes, but let me make this point. First, in general, the reason for raising pension ages is twofold: one is that we are seeing a huge increase in life expectancy, but the second point is that we want to ensure that we can fund really good pension provision for the future, and if we do not do this, we will not be able to. Let me repeat the statistic: four fifths of the women affected by the proposals will have their state pension age increase by a year or less. The reason, as she says, that there is this difficulty is that those two things—the equalisation of the pension age and the raising of the pension age—are coming together, but that is enabling us to link the pension with earnings, thus meaning that people will be £15,000 better off than they were under Labour's plans.

Q8. [57768] **Nic Dakin** (Scunthorpe) (Lab): Given 1,200 job losses at Tata in Scunthorpe and further job losses in the private and public sectors in north Lincolnshire, will the Prime Minister meet with the taskforce chair and local MPs, so that he can understand how his Government can help the local economy face these demands positively and respond positively to future challenges?

The Prime Minister: I shall be happy to do that, because I am extremely disappointed—as I know the hon. Gentleman and others are—by the job losses in Scunthorpe. I spoke personally to Ratan Tata about the decision.

Tata Steel is still hugely committed to the United Kingdom. It is still investing hundreds of millions of pounds in our country, which I think is wholly welcome. Obviously, however, what has happened in Scunthorpe is not welcome, and we must do all that we can to bring the taskforce together—I know that my right hon. Friend the Business Secretary is doing that—to ensure that we do everything we can to mitigate the impact on local jobs and local communities.

Q9. [57769] **James Wharton** (Stockton South) (Con): I am sure the Prime Minister agrees that there should be no place for corruption in football. Given that the re-election of Sepp Blatter has brought FIFA even further into disrepute, will he take this opportunity to voice his support for those who are calling for the reforms that we need in order finally to show Mr Blatter the red card?

The Prime Minister: I have personally seen football governance at an international level, and I was not that impressed by what I saw.

FIFA's reputation is now at an all-time low, and obviously the election involving just one candidate was something of a farce. FIFA must become more transparent and more accountable. It must prove that it is capable of doing the job that it is meant to do. Ultimately, however, change must come from within football, and I am sure that the Football Association will want to play a major role in helping to bring that about.

Q10. [57770] **Mr Virendra Sharma** (Ealing, Southall) (Lab): I love the NHS and I love my local hospital, Ealing hospital. I was delighted to learn that the Prime Minister also thinks highly of Ealing hospital, and that he chose it as the place in which to deliver his speech on the Government's NHS reforms. Given his personal experience of the high quality of services that Ealing hospital provides, will he assure the House that, faced with budget pressures and merger proposals, it will not close or lose its accident and emergency and other key services?

The Prime Minister: I enjoyed my visit to Ealing hospital, and was impressed by what I saw. There are no plans to close the hospital. Indeed, a new urgent care centre is due to open in July, and the maternity unit has a phased redevelopment programme in process.

As the hon. Gentleman knows, any proposals relating to any hospital must go through a proper process involving public and patient engagement, sound clinical evidence, support by the GP commissioners, and support for patient choice. That is the process that must be followed. As I have said, however, there are no plans to close the hospital.

Q11. [57771] **Gareth Johnson** (Dartford) (Con): The Prime Minister will be aware that one in seven couples in the United Kingdom suffer from infertility problems, but, notwithstanding that fact, three quarters of primary care trusts do not provide the recommended three cycles of IVF treatment. Will the Prime Minister join me in calling on all PCTs to follow the National Institute for Health and Clinical Excellence guidelines and provide sufficient treatment for infertile couples?

The Prime Minister: I will certainly do that. My hon. Friend is right to raise an issue that affects a huge number of people in our country. We have all encountered constituency cases in which people are frustrated by local guidelines. The deputy chief executive of the NHS is writing to all primary care trusts reminding them of the NICE guidance and its recommendations, and I think that that is very important. Of course some PCTs have worse deficits than others and have a more difficult process to follow, but we want to ensure that everyone has access to this treatment.

Q12. [57772] **John Woodcock** (Barrow and Furness) (Lab/Co-op): After four years, 15-year-old Alice Pyne, who lives in my constituency, is losing her battle against cancer. She has posted online her "bucket list", a simple wish list of things that she wants to do before it is too late. She wants to meet Take That, to own a purple iPod and to enter her dog in a labrador show, but at the top of the list is a call for everyone to sign up to be a bone marrow donor. Will the Prime Minister work with the Leader of the Opposition and me to find out why too few people are currently on that life-saving register?

The Prime Minister: I will certainly do that. I am very sorry to hear about the situation facing Alice and what she is going through. Our thoughts go out to her and to her parents. She sounds like a very brave and very admirable person.

We want to get as many people as possible on to the bone marrow register. This year we are investing some £4 million of new money to improve donation processing and services for NHS patients. However, this is partly to do with a cultural and population change that we must help to drive, and I am sure that the Leader of the Opposition and I can discuss that.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): The Prime Minister will be aware of the terrible explosion at the Chevron refinery in Pembroke last week, as a result of which four people died and one was seriously injured. Will he join me in extending condolences to the families and colleagues of those concerned, and also in commending the safety record of Chevron and its new owner, Valero, in what is a pretty difficult industry?

The Prime Minister: I will certainly do that. This was a tragic incident, and, on behalf of the whole House, may I join my hon. Friend in paying tribute to his constituents and expressing our deepest sympathies to the families of those who have been affected? I am sure there will be lessons to learn, but as my hon. Friend said, the company has had a good safety record, and in an industry in which there are inherent risks. I will be happy to discuss the issue with him.

Q13. [57774] **Mr Russell Brown** (Dumfries and Galloway) (Lab): What does it say about our society when a BBC documentary on child poverty ends with a child saying: "And I don't want to grow up"?

The Prime Minister: It says that, frankly, we need to do far more to tackle child poverty, not just here in the UK, but around the world. That is one of the reasons why, despite difficult spending decisions, we have maintained the pledge of increasing our aid budget to 0.7% of gross national income by 2013. That is a difficult pledge to make, but I think that, even at times of difficulty, we should not break our promises to the poorest people in the world.

In terms of child poverty here in Britain, the biggest challenge today is not just benefit levels, but mobility: how do we help people get out of poverty and stay out of poverty? That is why this Government are putting so much emphasis on measures such as the pupil premium, which will actually help people build themselves a better future.

Q14. [57775] **Mark Pawsey** (Rugby) (Con): I have the honour of representing the only town to have given its name to an international sport: rugby football. Under the union code of the game, the home nations are preparing for the world cup later this year. Will the Prime Minister join me in expressing gratitude to the New Zealand authorities for proceeding despite the recent earthquake, and will he also join me in hoping that at the end of the tournament the Webb Ellis trophy will be making its way back home?

The Prime Minister: I certainly endorse what my hon. Friend says, and I will do everything I can to support our rugby team. I very much hope the trophy will be coming home—*[Interruption.]* Calm down. I very much hope the trophy will be coming home to one of the nations of the United Kingdom. When I met the Prime Minister of New Zealand, he kindly gave me an All Blacks shirt, but his advice was, "Whatever you do, don't be seen wearing this", and I think I will take that advice.

Mr Tom Watson (West Bromwich East) (Lab): As the Prime Minister has previously said, the hacking inquiry should go where the evidence takes it. The Metropolitan police are in possession of paperwork detailing the dealings of criminal private investigator Jonathan Rees. It strongly suggests that, on behalf of News International, he was illegally targeting members of the royal family, senior politicians and high-level terrorist informers, yet the head of Operation Weeting has recently written to me to explain that this evidence may be outside the inquiry's terms of reference. Prime Minister, I believe powerful forces are involved in a cover-up; please tell me what you intend to do to make sure that that does not happen.

The Prime Minister: I know the hon. Gentleman takes a close interest in this subject, and the point I would make to him is that there is a police inquiry, and a police inquiry does not need terms of reference. The police are free to investigate the evidence and take that wherever it leads them, and then mount a prosecution with the Crown Prosecution Service if the evidence supports that. In the case of phone hacking, which is illegal and wrong, there have been prosecutions and imprisonments, and if that is where the evidence takes them, that is what will happen in the future. There are no terms of reference as far as I am concerned; the police are able to look at any evidence and all evidence they can find.

Mr Marcus Jones (Nuneaton) (Con): The Prime Minister will recall visiting Nuneaton town centre on several occasions, and he will be glad to hear that it is surviving well, with a comparatively low level of vacant premises, but our town centres are facing a vital and difficult challenge from the out-of-town stores and the internet. Given those challenges, will my right hon. Friend assure the House that this Government will be a keen supporter of our town centres?

The Prime Minister: I can, and my hon. Friend speaks powerfully not just for Nuneaton, but for all town centres and all Members who represent constituencies with vibrant town centres. We want to keep them, rather than see everything go out of town. There are two steps we need to take. One is to make sure local people have a real say in the planning process, so they can decide where future development goes. Secondly, we should continue the steps that my right hon. Friend the Chancellor has been pioneering in terms of rate relief, to help local shops in our high streets so we do not end up with identikit high streets, but instead have thriving town centres such as Nuneaton, which I so enjoyed visiting with my hon. Friend on a number of occasions.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The chairman of the Georgian Parliament is in London this week, and, indeed, is following our proceedings. Some Members of this House went to Georgia during the recess. When the Prime Minister goes to Moscow later this year, will he remind Russia of the commitment it gave in 2008 to withdraw its troops and stop the occupation in Georgia?

The Prime Minister: I will certainly do that. I well remember myself going to Tbilisi when the Georgians were under so much pressure from the Russians, and standing up with them, recognising that Georgia is a country that wants to be a democracy; it wants to be an economic success story; it wants to join NATO; it wants to be able to look west, as well as east; and it wants to have good relations with its neighbour. I am delighted that the hon. Lady is meeting representatives from the Georgian Parliament. I myself have met Georgia's President Saakashvili on several occasions, and I will certainly make my views clear on the issue of Georgia, if I visit, and when I visit, Russia later this year.

Mr Stephen Dorrell (Charnwood) (Con): Does my right hon. Friend agree that the key challenge facing the national health service is how to convert this Government's welcome commitment to year-on-year growth of real resources into improving productivity and improving quality of care for patients? Did the key to delivering that not lie in my right hon. Friend's speech yesterday: in his advocacy of more integrated and less fragmented care? Will he continue to—

Mr Speaker: Order. We are grateful to the right hon. Gentleman—I think we have got the thrust of it.

The Prime Minister: My right hon. Friend's support for the reforms is hugely welcome, and I know that he follows these issues very closely. It was not just he who welcomed the speech that I set out yesterday: also, I had express support from the Royal College of Nursing, the Royal College of Physicians, the NHS Confederation, Macmillan Cancer Support and Breakthrough Breast Cancer. I think we are seeing a coming together of people who care about the health service, who use the health service, of professional bodies in the health service, who can see that this Government are listening, getting their changes right and will add the money that is required—and that only we are committed to—with the reforms that are necessary to make sure the NHS can go on and thrive in future.

Ian Paisley (North Antrim) (DUP): The Prime Minister will be aware of the dastardly murders of senior police officers Breen and Buchanan, and the subsequent public inquiry, established in consultation between this nation's Government and the Irish Republic's Government. Will

he make sure that nothing is allowed to impede Anglo-Irish relations by making personal representations to the Prime Minister of the Irish Republic, such that they cannot restrict the time, the effort and the money put into that inquiry, so that we can get to the truth and find out how those two brave police officers were murdered in so dastardly a way?

The Prime Minister: I will certainly look very carefully at the issue the hon. Gentleman raises. There is still, on all sides in Northern Ireland, and indeed in the Republic, huge concern about things that happened in the past. Often, people ask for an inquiry, a public inquiry or a process. I think in most cases, what people really want is the truth. I found with the issue of the Saville inquiry that what really mattered, actually, was not the £120 million, the five years and all the rest of it. What people wanted was the unvarnished truth, so then they can come to terms with what happened in the past. I have said that I do not want to see further open-ended inquiries; but I do think there is still more that we can do to uncover and be frank about the truth, and that goes for us on all sides of this debate.

Mr Speaker: I appeal to hon. Members leaving the Chamber to do so quickly and quietly, affording the same courtesy to the hon. Member for Portsmouth North (Penny Mordaunt), who is about to introduce her ten-minute rule Bill, that they would want to be extended to them in such circumstances.

Education (Special Educational Needs)

Motion for leave to bring in a Bill (Standing Order No. 23)

12.33 pm

Penny Mordaunt (Portsmouth North) (Con): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to increase parental involvement in provision of education for children with special educational needs; and for connected purposes.

I am aware that the business following my ten-minute rule Bill is of great interest to the House, and so, knowing that you are ever the friend of innovation, Mr Speaker, I shall endeavour to make this a five-minute Bill.

The Department for Education's current guidance is clear about what parents of a child with special educational needs should expect from their local education authority once a statement has been drawn up: to have their choice of school respected, provided it is a suitable use of LEA resources. In practice, this guarantee is often not worth the paper it is written on. I have met the evidence, so to speak: parents of children with dyslexia or a language disorder, struggling in the aftermath of short-sighted LEA decisions which undermine the principle of an education for all.

In these cases, perhaps the LEA has accepted that a child's needs should be assessed, but refuses to make an assessment or maybe the parents have pinned their hopes on an appeal against the LEA at the first-tier tribunal only to find that the tribunal panel is the LEA. Alternatively, the child might actually have a statement but the school does not have the right provision, and no one is prepared to provide the enforcement. Alternatively, the child might have a statement but no school place, because the LEA has refused the only suitable provision as it is in the independent sector, even though it would be cheaper than the total cost of state provision. In what is perhaps the cruellest of ironies, some parents, for want of a school place, try to home educate their child, not through choice, but through necessity, only to find that they are cut adrift by the LEA without any support or guidance, and their child's name is also removed from all waiting lists. As far as the LEA is concerned, that is one fewer problem to deal with.

These parents, some of whom have learning disabilities themselves, have no cards to play, no stick to wield and no hope of redress to ensure that their child has access to an education. In Portsmouth, Martin is due to take his GCSE options next year, yet he has never been to a secondary school. His disability is undiagnosed, and the remedial action required is unrecognised. Iris's dyslexia was discovered by good teachers and demonstrated by an independent assessment, but the private school that would meet her needs was refused, even though it would involve the same cost as placing her in an LEA school without any dedicated special educational needs support. Joanne's disabilities mean that she is unable to use public transport and so she has been awarded a travel grant to get her to school, but she must make her own way home. James, who is also without a school place, has been required to demonstrate his level of need by failing at school after school, to the extent that failure is now his state of mind. It is little wonder that when he was asked to describe himself by his last teacher, he said he was "unliked" and "alone".

Change is needed to strengthen the hands of parents and teachers fighting for these children's rights and entitlements. Five principal areas must be addressed and although the recent SEN Green Paper has made progress on them, improvements could be made. First, in the manner of the NHS constitution, the rights and entitlements of children must be established in law. We must have a document towards which parents can point stubborn local authorities. It is not acceptable for a child to fall through the cracks, and a clear assertion of children's rights would help to hold authorities to account.

Secondly, there must be means other than a statement by which a child's needs can be demonstrated and verified. Statementing needs reform, but it can be the only ammunition that parents have. The Green Paper outlined plans for a single assessment process as a replacement for the statement, but to really strengthen parents' hands other forms of proof should be accepted as evidence of need, even if this simply guarantees that the child undergoes the new assessment. We must remove an LEA's power to deny that a child has a special educational need despite overwhelming evidence to the contrary. The third aspect of necessary change is closely associated with the second; the link between the assessor and the financer must be broken. Currently, local authorities sit in judgment on SEN cases with only one eye on the child's future—the other is glued to its own bottom line—and that is not a tenable situation.

Fourthly, all providers of appropriate schooling, including independent schools, must be listed by the LEA, as is supposed to happen already. The last area to address is funding. I applaud the Green Paper's commitment to personalised funding, but for this to work properly funding must truly follow the pupil, as with the pupil premium. But unlike the pupil premium, it must include the per-pupil funding derived from the LEA. I urge the Government to consider, as part of their review, how school funding can become genuinely per pupil, whether on a total or top-up basis.

On hearing about my speech today, Iris, whom I mentioned earlier and who is now being funded to attend an independent mainstream school with a specialist dyslexia unit thanks to the generosity of Portsmouth residents and a livery company, suggested that I should tell hon. Members what she told me, and I can think of no better way to conclude. She said:

"At my old school I felt silly and sad because I didn't understand. I really love school now. I feel so much happier and I understand everything a lot more. I get lots of help and they make it easy to understand. I have great teachers and lovely friends. Now I want to go to school."

Question put and agreed to.

Ordered,

That Penny Mordaunt, Mr David Blunkett, Mr Robert Buckland, Charlie Elphicke, Charlotte Leslie, Dr Julian Lewis and Jacob Rees-Mogg present the Bill.

Penny Mordaunt accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 2 December and to be printed (Bill 199).

Ninetieth Birthday of His Royal Highness the Duke of Edinburgh

12.40 pm

The Prime Minister (Mr David Cameron): I beg to move,

That an humble Address be presented to Her Majesty on the ninetieth birthday of His Royal Highness the Duke of Edinburgh, to assure Her Majesty of the great pleasure felt by this House on so joyful an occasion.

That the said Address be presented to Her Majesty by such Members of the House as are of Her Majesty's most Honourable Privy Council or of Her Majesty's Household.

That a Message be sent to His Royal Highness the Duke of Edinburgh, to offer His Royal Highness the warmest good wishes of the House upon the occasion of his ninetieth birthday, expressing the gratitude of the nation for his lifetime of service to the country and the Commonwealth and praying that His Royal Highness may long continue in health and happiness.

That Mr Speaker, the Prime Minister, the Deputy Prime Minister, Sir George Young and Edward Miliband do wait upon His Royal Highness with the said Message.

This week we celebrate the 90th birthday of a remarkable man who has given years of service to our country. Someone who has defended his nation in time of war. A man who has stood alongside Her Majesty the Queen for more than six decades. A man who has given his time, effort and passion to many great causes up and down the country, across the Commonwealth and indeed around the world. I refer, of course, to His Royal Highness Prince Philip, the Duke of Edinburgh.

Since the time of William the Conqueror there has never been a consort who has served for so long at the side of a monarch and, as such, Prince Philip has seen extraordinary events in life from the end of rationing to man landing on the moon, and from the end of the cold war to the beginning of peace in Northern Ireland. Of course, along the way he has had to put up with listening to the views of no fewer than 12 Prime Ministers. Through it all he has been there for Her Majesty the Queen as a constant companion and source of rock solid strength. Throughout it all he has served us, the British people, with an unshakeable sense of duty. He has conducted more than 300 public engagements a year and delivered more than 5,000 speeches.

Over those years, he has also made more than 600 visits to more than 140 countries. In most of those, he is heralded and much respected as the consort of a monarch, but, of course, there is one—Tanna, part of Vanuatu—where he is treated slightly differently. In fact, no public event in that far off part of the Pacific Islands is complete without the islanders holding aloft pictures of Prince Philip, whom they worship as a god.

Of course, His Royal Highness served this country long before his royal duties began. The Duke of Edinburgh spent 14 years on active service in the Royal Navy. During the second world war he served with the Mediterranean and Pacific fleets. He was awarded the Greek war cross of valour and was mentioned in dispatches when he manned the searchlights during HMS Valiant's triumph at the battle of Cape Matapan. In a fitting tribute to his outstanding abilities, the late Lord Lewin, the First Sea Lord, said he would most certainly have gone right to the top of the Navy.

Today the Duke of Edinburgh is a patron of more than 800 organisations. Looking through that long list, one passion shines through: supporting young people by giving them the confidence to stand on their own two feet. It was this passion that led him to initiate the Duke of Edinburgh awards, recognised around the world as the gold standard in leadership for young people. Since 1956, about 6 million young people in 120 countries have won awards by building skills for work and life and proving that they can take responsibility for themselves and their communities. To all of us in this Chamber who believe in the value of helping to change people's lives for the better, that is an inspiration. His is a huge achievement for which this country and many others owe the Duke a deserved debt of gratitude.

He also has an extraordinary passion for wildlife, nature and the environment. As president of the World Wildlife Fund, he helped to save many of the world's most beautiful creatures from extinction, including the snow leopard and the black rhino.

The Duke is also a passionate family man and I know that all of us would like to congratulate him on becoming a great-grandfather for the first time with the birth of Savannah Phillips at the end of last year.

He has done all these things in his own inimitable way, with a down-to-earth, no-nonsense approach that I believe the British people find endearing. Of course, many of us who give public speeches would be honoured to have a book published of our most famous sayings. There have been several published of his. My own favourite was when, after a long flight, the umpteenth eager-to-please official asked him, "How was your flight?" He replied, "Have you been on a plane? Well, you know how it goes up in the air and then comes back down again? Well, it was just like that."

I would like to go on for a great deal longer but I am reminded of His Royal Highness's remark about sermons that overrun. It is not just sage advice for clergy in the pulpit but, I think, probably for us in this place, too. As the Duke put it, "The mind cannot absorb what the backside cannot endure." With that in mind, let me give the final say to the person who knows him best of all, Her Majesty the Queen. She said in a speech to mark their golden wedding anniversary that he had been her

"strength and stay all these years"

and that she and

"his whole family, and this and many other countries, owe him a debt greater than he would ever claim, or we shall ever know."

I am sure the whole House will want to join me in wishing His Royal Highness health, happiness and above all a very special 90th birthday.

12.45 pm

Edward Miliband (Doncaster North) (Lab): May I second the motion in the name of the Prime Minister and associate myself and my party entirely with the sentiments that he has just expressed? As the Duke of Edinburgh approaches his 90th birthday, he is, as the Prime Minister said, the longest-serving consort and the oldest serving spouse of any British monarch. The Duke and Her Majesty have been married for 64 years. As a relatively new spouse, I have particular admiration for that achievement and I realise that it will take me 63 years, 11 months and 20 days to catch up.

The Duke of Edinburgh has been a constant companion to Her Majesty throughout her reign and he has shown a moving love, support and devotion to Her Majesty that has been unfailing. He has also made an enormous

[Edward Miliband]

contribution to public life here in Britain and right across the Commonwealth in his own right. He is the patron of hundreds of organisations that focus on the environment, industry, sport and education but he is perhaps best known, as the Prime Minister said, for the Duke of Edinburgh's award, which he established 55 years ago to give young people a sense of responsibility to themselves and their communities. I am sure that every Member of the House will have had the experience of visiting a local school in their constituency and seeing the eyes of young people light up as they talk about the excitement, passion and sense of achievement they have got from doing the Duke of Edinburgh's award. For that, we owe the Duke of Edinburgh a huge debt of gratitude.

The Duke is a reminder to us all of the unique spirit of public service that the monarchy discharges to the British people at home and abroad. That affection was evident at the wedding last month of the Duke and Duchess of Cambridge. The Duke of Edinburgh has been a prince among consorts, but is, if I might put it this way, a king among characters. His unique turn of phrase has become a much-loved feature of modern British life. There are two repeatable examples that I want to share with the House. To the matron of a hospital he visited in the Caribbean, he commented:

"You have mosquitoes. I have the Press."

That is a sentiment that many of us should share at various times in politics. Legend also has it that following the coronation in 1953, he turned to Her Majesty and said:

"Where did you get that hat?"

Humour is a great part of British life and we thank the Duke for his unique contribution.

We owe the Duke a great debt for the personal and professional sacrifices he has made to serve our country. He was, as the Prime Minister said, a distinguished naval officer who, at just 21, became one of the youngest first lieutenants in the Royal Navy, but he put his professional ambitions aside to be the loyal consort to the Queen. When asked in a recent interview if he had been disappointed to give up his naval career, he said that he had been a little disappointed but that, more importantly, it seemed to him that his duty was to serve the Queen

"in the best way I could."

The Duke embodies qualities of duty, loyalty, public service and good humour—great British qualities. He came from a generation who were prepared to sacrifice everything they had for this country and their values. As he approaches his 90th birthday, I once again pay great and humble tribute to the Duke of Edinburgh for all he has done for Queen and country.

12.49 pm

Nicholas Soames (Mid Sussex) (Con): May I, with the indulgence of the House, add a few personal words in support of the excellent speeches of my right hon. Friend the Prime Minister and the Leader of the Opposition? I have had the great good fortune and the inestimable honour to have known His Royal Highness the Duke of Edinburgh for 50 years. I first met him when I was, as the psalmist said, yet

"in the slippery paths of youth".

I want to take this brief moment, therefore, to add my own salute to Prince Philip. He is, in my view, one of the most exceptional men of his generation. No one can fail to be struck by the great breadth of his interests, the profound depth of his knowledge of them, and his distinguished and energetic contribution to our national life through the many organisations with which he is closely associated and over which he takes so much time and trouble.

As both my right hon. Friend the Prime Minister and the Leader of the Opposition made clear, all of us in our constituency duties will have come across the beaming faces of the young who have taken part at one level or another in the Duke of Edinburgh's award schemes, an organisation in which millions of young people in more than 60 countries have taken part. That in itself is a remarkable achievement and one of which I hope Prince Philip is properly proud. In his work as the first president of the World Wildlife Fund—in which, incidentally, he was well ahead of his time—and through his profound interest in nature and wildlife conservation, as well as in environmental questions more generally, he has played an important, innovative and highly influential role for many years, both at home and abroad.

On a day like today one cannot hope to do full justice to Prince Philip's inspirational work in the promotion of science, design and industry, or his work with the armed forces, but I conclude by saying that we in the House feel gratitude, respect and pride for Prince Philip's exceptional service to his country, and recall that he is part of that remarkable generation that served with distinction during the war, did their duty and just got on with it, and then got on with the rebuilding of Britain afterwards.

Prince Philip certainly is a formidable man and, refreshingly, does not suffer fools gladly, as I know to my cost. He is, above all, to himself true, and a most especially devoted and loving husband, father and grandfather. His many qualities should shine brightly for us today since they march with great good humour, a complete lack of any side or pomposity, and a clear, thoughtful and generous understanding of the world in which we all live. I join my parliamentary colleagues in sending to His Royal Highness the Duke of Edinburgh my warmest congratulations and most profound respects on his 90th birthday.

12.53 pm

Paul Flynn (Newport West) (Lab): The supreme achievement of the Duke of Edinburgh is that he is working at the age of 90. This is a magnificent example and one that has been followed by a constituent of mine, Mr Harry Polloway, who is working as a toastmaster at the age of 97. I last saw him in the Jewish cemetery in my constituency, where we were commemorating the death of May Mendleson, who died last year at the age of 108. Continuing work into that period of life is a wonderful example to set, and one that we can look at with some embarrassment and shame in the House, where I believe the oldest Member—a distinguished Member—is just 80 years of age, and we have only five Members over the age of 76.

This group of people are disgracefully under-represented in the House. If we are to have a proper reflection of senior citizens, we must look to have all-80-year-old

shortlists at the next general election. In the light of the heroic examples set by Prince Philip, Harry Polloway and May Mendleson, that fault needs to be corrected.

However, my purpose in speaking today is to make another point. As someone who is not a royalist and is happy to say that I am a republican and always have been, I want to ask why on earth, in this age, the address is to be "humble". Are members of the royal family superior beings to the rest of us? Are we inferior beings to them? Is Prince Philip superior to Harry Polloway and May Mendleson? That was the feeling of the House seven centuries ago, when we accepted the rules under which we speak now.

We live in an egalitarian time when we recognise the universality of the human condition, in which royals and commoners share the same strengths and frailty. In the House, when we speak of the royals—not just the monarch, but all the family, without any limit—we are denied the chance of making any derogatory comment. That might extend to first cousins who are a long way distant from the monarch. There is no question but that the monarch—the Head of State—should remain above the political fray. We have been well served by this, particularly recently.

However, if these occasions are to be greatly valued, it should be possible for Members to utter the odd syllable that might be critical. I do not have anything to say in this case, but the sycophancy described by the Prime Minister when he referred to someone asking Prince Philip a fairly obvious question when he came off a plane must sicken the royal family. When they have an excess of praise of this kind, it is devalued.

Mr David Winnick (Walsall North) (Lab): No one would accuse me of being an ardent royalist, but will my hon. Friend bear in mind the fact that the most terrifying dictatorships—terrorist dictatorships—of the last century, including Germany, Russia and China, have been republics?

Paul Flynn: I was coming to the final sentence of my speech, but I would be happy to discuss that at some length. If my hon. Friend is asking whether the Queen has been a monarch of whom we should be proud, a monarch who has served this country in a way that is probably unparalleled, and whether she has maintained political neutrality throughout those years, I would say yes. We particularly appreciated her work in Ireland recently, where she has done much to restore the link. That is not the point of what I am saying today.

I am saying that the House has allowed itself to be infantilised by our own history into a position in which we are not allowed to make any criticism—not just of the person whom we are talking about today, but of other members of the royal family as well. It stretches to all of them. By accepting today that the address is a humble one, we demean the honour of our elected office. We were elected by the first-past-the-post system, but those with hereditary offices are in their place as a result of what Tony Benn once called the first-past-the-bedpost system. We should be free in this House to tell the whole truth as citizens, not gagged as subservient subjects.

12.58 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): I have no difficulty in supporting the motion proposed by the Prime Minister and seconded by the Leader of the Opposition, and on behalf of my right hon. and hon. Friends, sending our very warmest wishes to Prince Philip for his birthday on Friday.

The Prime Minister referred to the fact that Prince Philip is already in the record books as the longest-serving consort. My limited research immediately revealed two other things. He is also in the record books for being the last surviving great-great-grandchild of Queen Victoria—and, even more extraordinarily, is apparently currently in the line of succession to 16 thrones. If ever we wanted an example of how interconnected our European continent is, he is probably the living embodiment of that.

Prince Philip was born in the same year as my late mother, so when we were growing up, my parents, my brothers and I often found him featuring in the conversation as a sort of point of comparison in youthfulness and activity on which we were asked to model ourselves.

In addition to his obvious loyal, steadfast and wonderful roles as husband, consort, father, grandfather and great-grandfather, I suggest that the Duke of Edinburgh also plays the role of the most active citizen. He is an active citizen in many countries of the Commonwealth, which he has supported throughout his time in public life. He is wonderfully active in his inspired award scheme, which has already been referred to. I am one of the lucky people who benefited from being a Duke of Edinburgh's award winner. The prize was going to receive the award from him at Buckingham palace. The punishment—the preparation for the prize—was being nearly frozen to death in Snowdonia on an expedition the previous Easter; it was not an award achieved lightly.

The Duke of Edinburgh has always encouraged participation in sport, which is very important. Reference has rightly been made to his very early commitment to conservation world wide. When he became president of the World Wildlife Fund, he encouraged millions of people, particularly young people, to realise the importance of conservation, not only at home but on the other side of the world.

Lastly, we cannot avoid referring to the fact that the great thing about Prince Philip is his ability to comment, and to do so publicly from time to time, in a no-nonsense, down-to-earth and—thank God—humorous manner. At least two of his children have the same quality, for which we should be grateful. It is typical that he is working on his birthday this week. That should encourage everyone in the country who sees retirement looming to think that they may still have a long time to go. We wish him a very happy birthday on Friday, happy and enjoyable celebrations over the weekend and continuing robust health and much happiness in all his years ahead. We thank him for a lifetime of incomparable public service.

1.1 pm

Mr Nigel Dodds (Belfast North) (DUP): On behalf of my hon. and right hon. Friends, and indeed the vast majority of people in Northern Ireland, I heartily endorse the sentiments that have been so eloquently expressed this afternoon on the occasion of His Royal Highness's 90th birthday. We send him our warmest congratulations.

[Mr Nigel Dodds]

His Royal Highness bears many titles. When I looked at them the other day, I found that reading them all out would almost be a speech in itself. Some people today might dismiss such titles as anachronisms, but in my view they are not: they speak to us of the history of our Union, our nation and our Commonwealth. With nearly 60 years as royal consort, Prince Philip has been a living example of the steadfast values that created and sustain to this day our Union, our nation and our Commonwealth. Throughout his life he has exemplified the qualities of duty, sacrifice and service to country and Commonwealth, and all carried with great humanity and humour, as we have noted. In the course of that service, he has visited Northern Ireland on many occasions, and we look forward to further such visits, when he can again be assured of the warmest of welcomes.

Beyond his formal duties, the Duke of Edinburgh has worked with hundreds of different causes and organisations and maintains to this day a schedule that many younger people would baulk at. Of all this work, the crowning glories are undoubtedly the World Wildlife Fund and the award that bear his title, the Duke of Edinburgh's award. His work with WWF was literally decades ahead of its time, as has been said, and the Duke of Edinburgh's award will this year break the 2 million mark for the number of children and young people who have gained an award. Proudly, Northern Ireland boasts the highest participation levels in the award scheme in the United Kingdom. Few individuals on earth can boast that they have written the rulebook of a sport, but he can—for carriage driving, which he once described as a geriatric sport.

As we approach the diamond jubilee of Her Majesty's accession to the throne, we rightly reflect on the tremendous service that the monarch has given to this country, its people and the Commonwealth. When Her Majesty was crowned in Westminster Abbey, Prince Philip pledged to

"become your liege man of life and limb, and of earthly worship; and faith and truth I will bear unto you, to live and die, against all manner of folks. So help me God."

Truly it can be said today that he has fulfilled that pledge in both word and spirit. For any man or woman, there are few better compliments that can be paid than to be recognised and respected for a lifetime of loyalty, steadfastness and truth to their word. For that and so much more, His Royal Highness Prince Philip, Duke of Edinburgh, deserves our nation's deepest gratitude, our heartiest congratulations and our sincere prayers for God's blessing and continued health and happiness.

1.4 pm

Mary Macleod (Brentford and Isleworth) (Con): Thank you, Mr Speaker, for the opportunity to speak today to the motion for a humble address to be presented to Her Majesty on the 90th birthday of His Royal Highness the Duke of Edinburgh. I was fortunate enough some time ago to be given a role in the royal household, working for Her Majesty and senior members of the royal family, advising on strategic changes to the monarchy and briefing on key areas of national life. What struck me most when working at the palace was the incredible work load not just of Her Majesty the Queen, but of His Royal Highness. I commend him highly on his commitment to service over the years.

The Duke of Edinburgh not only attends many engagements on his own, but accompanies the Queen on her Commonwealth tours, state visits overseas and visits to many parts of the United Kingdom. On average, as my right hon. Friend the Prime Minister said earlier, he carries out more than 350 engagements a year. He is also patron or president of some 800 organisations, with special interests in scientific and technological research and development, the encouragement of sport, the welfare of young people and conservation and the environment.

In 1956 the Duke founded the Duke of Edinburgh's award in order to give young people

"a sense of responsibility to themselves and their communities".

That has made a lasting contribution to our society and benefited many thousands of young people. A sense of responsibility to themselves and their communities is exactly what we are trying to create with the big society, so perhaps after all it was His Royal Highness who led the way and helped to inspire the policy.

In my constituency, many young people and schools are involved in the Duke of Edinburgh's award scheme. Chiswick community school is particularly grateful for the award scheme. In the words of Tony Ryan, the school's head teacher:

"We value the Duke of Edinburgh award more than I can say. The award helps build social and team building skills and independence. It takes kids out of their comfort zones—many kids have never been to the countryside before and often you see a completely different side to them. It really makes them think differently."

When I visited Gunnersbury Catholic school recently, people were also talking about the benefits of the award scheme. Kevin Burke, the school's head teacher, sent me pages of comments from students, a few of which I want to mention. James Phelan said:

"The Duke of Edinburgh award scheme opened my eyes to many new and challenging experiences, from which I learnt many life skills and values".

Tom Sylvester said:

"The Duke of Edinburgh award scheme was a fantastic experience which has allowed me to put myself through all of my paces. I have managed to learn new skills that would have been nigh-on impossible. What I liked the most about this epic journey was the choice that was available and that I could complete it with my friends. I believe this experience has changed my life forever and has adjusted my perspective on life."

Felix said:

"The Duke of Edinburgh bronze award brought many challenges and people could gain many valuable skills such as leadership."

Jack said:

"The award scheme was an amazing experience".

Jesse said:

"My Duke of Edinburgh experience was an experience of a lifetime".

I would like to conclude by thanking His Royal Highness the Duke of Edinburgh for his contribution to our society, his patronage of more than 800 organisations, his unstinting commitment to public life as the longest-serving royal consort in British history and, in particular, for the truly remarkable legacy for young people today from the Duke of Edinburgh's award scheme, and finally for the personal support he gives Her Majesty on a daily basis.

His Royal Highness is a real example and inspiration to us all. If more people were encouraging many others to support voluntary organisations and helping young people gain life skills and experience for their future, bringing out the best in them, this country would be a much better place. I support the motion, which is our way of thanking His Royal Highness for his lifetime of service to the country and the Commonwealth.

1.9 pm

Chris Bryant (Rhondda) (Lab): I wholeheartedly support the motion in the name of the Prime Minister and my right hon. Friend the Leader of the Opposition. I do not want to repeat all that has been said by other Members, but I will mention one further capacity that His Royal Highness has: the ability to put MPs in their place.

Parmjit Dhanda, when he was the Member for Gloucester, was invited in 2001, as I think was the current Prime Minister and others elected that year—it was our 10th anniversary yesterday—to Buckingham palace, and the Duke of Edinburgh went up to Parmjit and said, "So, what did you do before you got this job?" Parmjit said, "I worked in a trade union." The Duke immediately replied, "Bugger all, then." Parmjit, somewhat offended and thinking that he would retaliate with force, asked, "Well, what did you do before you got this job?", to which the Duke replied, "Fought in the second world war."

So, notwithstanding the remarks of my hon. Friend the Member for Newport West (Paul Flynn), I think that there are occasions when a little humility from this House towards His Royal Highness is entirely appropriate.

1.10 pm

Michael Ellis (Northampton North) (Con): The Duke of Edinburgh is clearly someone who does not take well to compliments, but he will just have to put up with them this week, because quite frankly he deserves those compliments, not just because it is his 90th birthday on Friday, but because for more than 60 years, since their marriage in 1947, he has been the bedrock of support for Her Majesty the Queen—the constant and loyal support and the dutiful and honourable consort, perpetually at her side over the 59 years of her reign so far and, please God, for years to come. He is the longest-living consort in 1,000 years of British history, surpassing, only a couple of years ago, Queen Charlotte, the consort of King George III—but I am reliably informed that that is the only thing he has in common with Queen Charlotte.

The Duke may be 90 years old, but he has something to teach the youngest generations, and that is the principle of duty and service, as we have heard from other hon. Members. Nowadays, many people are accustomed to doing something only if they want to do it and only if it suits them. Many have an expectation of what their rights are, but not of what their responsibilities may be.

Many of the prince's generation, maturing in the 1940s, understood the importance of doing a thing because it was the right thing to do for someone else, or for the country—but of course that sense of duty is not entirely extinguished today; very far from it. I had the honour of spending two days at the Royal Military Academy, Sandhurst, last week, and I met many young cadets in their 20s and even younger who are very much focused on serving others—a willingness to serve, and certainly not for financial reward. They want to give something back.

The British are a very generous people and give vast sums and amounts of time to charities, and that is reflected in Her Majesty's Government's international development policy, but the Duke has done a great deal for this country over generations, as well as supporting the Queen. Not the least of those is the welfare of young children, as my right hon. Friend the Prime Minister said a few minutes ago. The Duke established the Duke of Edinburgh's award scheme in 1956, and it has seen more than 7 million work to achieve an award. He meets the gold award winners personally.

The Duke is patron of some 800 organisations and has flown almost 6,000 hours in dozens of aircraft, but he was always what would now be called a type A personality—a leader. At Salem, as a pre-teenage boy in the early 1930s, the Nazis started to creep into school life, but Prince Philip used apparently to break into fits of laughter when he saw them and clearly even then considered them contemptible. Perhaps that is not surprising when one considers that his late mother is honoured in Yad Vashem in Israel as "Righteous Among the Nations".

The Duke went on to be head boy, or guardian, at school in Gordonstoun. At the Royal Naval college he came top of the class and won the King's dirk. He captained a warship at an extremely early age during world war two, and he served on battleships and destroyers throughout the second world war, even being mentioned in dispatches. He was involved in the allied invasion of Sicily, and was in Tokyo bay to witness the surrender of the imperial Japanese.

Still carrying out hundreds of public engagements a year at the age of 89, the Duke has given so many speeches that they apparently take up several volumes of shelf space, and he has never done anything that would affect his personal integrity or the integrity of the Crown. It is clear that his grandchildren love and respect him. He has borne the vicious cruelty, at times, of the press in this country with dignity and poise, and he has never once in public life done anything to embarrass Her Majesty the Queen or to weaken the dignity or integrity of the Crown—despite the odd controversial remark.

The Duke should be, and I believe is, a guiding light to others showing the correct way to behave with duty, honour, service and tradition.

Question put and agreed to, nemine contradicente.

Opposition Day

[17TH ALLOTTED DAY—FIRST PART]

Women (Government Policies)

1.15 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I beg to move,

That this House regrets that the Government's policies are hitting women and families hardest, including direct tax and benefit changes, cuts to childcare support and Sure Start which are making it harder for women to work, reductions in domestic and sexual violence specialist support, and their impact on the provision of social care; opposes plans that will make 300,000 women born between December 1953 and October 1954 wait an additional 18 months or longer to receive their state pension; calls on the Government to maintain the commitment given in the Coalition Agreement that the state pension age for women will not start to rise to 66 sooner than 2020; believes that promoting equality for women is vital to building a fairer society; and calls on the Government to commission independent, robust assessments of the impact of its policies on women and to prevent the implementation of policies that could widen inequality between women and men.

I got an e-mail from a woman called Michelle, who lives in my constituency. Michelle is a single mother with a toddler; she works part-time in a bank to support her family; and she studies part-time at the Open university, because she wants to get on and build a better future for herself and her child. Right now, she is very worried. Her train fares are going up and she is afraid that her course fees will go up, but the really big blow for her is that her child tax credit is being cut from 80% to 70%.

Michelle wrote:

"This is really devastating for me. My nursery fees are £530 a month, and my salary is £600 a month. This is an extra £50 each month out of my already very tight budget. This sadly is going to force me out of work and onto benefits, which I desperately don't want to do. It is so unfair and I am very angry. I want David Cameron, George Osborne and the rest of the coalition to acknowledge this is happening to myself and thousands of other single parents, but that will never happen."

It is because of Michelle and the stories that we have heard from so many women throughout the country that we have called this debate today. We are deeply worried about women who are struggling to work because of the changes that the Government have made; women who are finding it harder to make ends meet; women who are losing their own income and some of the independence that they value; women who are losing thousands of pounds of their pensions; and women such as Michelle who are finding it more difficult to work because of the sheer scale of the assault on families throughout the country—20% cuts to the Sure Start budget, cuts to child care tax credit and cuts to child tax credit.

The Government are taking more money from support for children than they are from the banks as part of their deficit reduction plan, and mothers throughout the country are taking the strain. Time and again, the Government hit women and families hardest, and I fear that for the first time in many generations equality and progress for women is being rolled back.

All Members know and will celebrate the major advances that we have seen in women's equality over the past century. When we celebrated the centenary of international women's day, I met a woman called Hetty Bower, who is already more than 100 years old and has received her telegram from the Queen. When Hetty was born, however, women did not have the vote, and when she had her first child there was no maternity care on the NHS—indeed, there was no NHS. She worked, but she certainly did not get maternity pay, family allowance or child benefit. By the time her daughter started work, it was still legal to pay women less than men to do the same job, and even when her granddaughter started work there was still little child care and little help for women wanting to work part-time or to care for their elderly parents.

When the Secretary of State and I were elected to Parliament, maternity leave was just 14 weeks, compared with 52 weeks today, and there were child care places for only one in eight children, rather than the one in four today. Of course, here in Westminster itself we had no nursery, but we still had a shooting range.

All the progress that we have seen for women over those years has been hard-won, and we should not take it for granted. From the suffragettes to the Dagenham strikers, women have campaigned and worked hard for those changes.

We know that there is still a long way to go, and if we look at the facts we find that, even some 40 years after passing the Equal Pay Act 1970, the pay gap remains at 15%. Women still make up only 12.5% of the boards of the UK's top 100 companies. One in four women is a victim of domestic violence in their lifetime. Women here still represent only 22% of our Parliament. Some 30,000 women lose their jobs every year because of pregnancy. So yes, we have come a long way, but we have further to travel yet.

I think that the Minister for Women and Equalities and the Minister for Equalities support progress for women and agree that it should go further and faster. The trouble is that their Government are not delivering; instead, they are turning back the clock.

Claire Perry (Devizes) (Con): Would the right hon. Lady like to take this opportunity officially to dissociate herself from her previous Government's disastrous 10p tax policy, which did so much to hit the lowest paid, especially women across the country?

Yvette Cooper: I think that it was right to change the policy on the 10p tax rate, which did cause problems for a lot of women—the hon. Lady is right. However, often the very same women for whom we had to make changes to ensure that they got help because they were being affected by the 10p tax rate are now being affected by what her Government are doing to change the pension age and equalise pensions so quickly. The 10p tax rate did affect women, but not on the scale under this Government of hitting them with more than £10,000 of losses. Yes, she is right to point out the problems with the 10p rate, but she also needs to point out to her Government the serious damage that they are doing not only to women approaching pension age but to many other women across the board.

Mary Macleod (Brentford and Isleworth) (Con) *rose—*

Yvette Cooper: I will make progress and then take an intervention from the hon. Lady.

In area after area, whether it is income, employment, child care, public services or action on violence against women, we are seeing the clock turned back. Today we want to concentrate on the Government's reforms to the pension age and what is happening to women as a result. We understand the Government's concern about rising longevity; of course we are all living longer and that has consequences. However, the nature and timing of the changes they have chosen is hitting women much harder than men. Bringing equalisation down to 2016 from 2018, combined with increasing the age again straight after that, means that women currently in their late 50s are getting a very bad deal. No men will see their state pension age increase by more than a year, but half a million women will do so. Those women, who are already in their mid to late 50s, are suddenly seeing their retirement plans ripped up. A third of a million women will have to wait an extra 18 months, and 33,000 women will have to wait an extra two years.

Let us think about what that really means. These women are already around 57 years old. They have been expecting to get their retirement pension in about seven years' time. They will already have made financial plans; many will already have made retirement plans. These women are often the rock of their families. They are the ones who stopped work to look after their grandchildren so that their daughters could work, or they are working part-time and looking after elderly relatives. They have worked out how they can manage it, and how they can stretch their savings until the pension kicks in, and suddenly the Government are ripping all that up.

Dame Anne Begg (Aberdeen South) (Lab): The group of women who, when they started work, would have expected to retire at 60, had already accepted that because of the equalisation of the state pension age they would have to work until they were 64, but it is the two years on top of that which is very difficult for them to swallow.

Yvette Cooper: My hon. Friend is exactly right. Those women have already made changes to their retirement plans, but these further changes are very late in the day, when it is extremely difficult for them to rearrange their plans. The consequence is that the equivalent of about £5,000 is being taken from half a million women, £10,000 is being taken from thousands of women, and £15,000 is being taken from those who are hardest hit—and they have less than seven years to work out how to cope. For most of those women it is too late to make changes to their financial plans and their career plans.

Let us take the case of Christine. She was born in July 1954. She is still working as a self-employed bookkeeper, and works about 25 hours a week. Like a lot of women her age, Christine says that she put her career on hold to bring up her children, so she does not have much of a private pension. She does not have extra savings to help her to cope and to make good the gap. Women in their late 50s have average pension savings of £9,100 compared with an average of £52,000 for men of the same age. These are women who took time out to look after their families, who worked part-time, and who started work in the '70s when the pay gap was bigger. The pension system never properly recognised the contributions that they made to their families and to society, and now, as a result of what the Government are doing, it is kicking them in the teeth again.

The Government cannot tell us that this is being done to cut the deficit, because in 2016, when these changes come in, their structural deficit is supposed to have been eliminated. The best that the coalition has been able to come up with in its defence is to say that some of the poorest male pensioners who get pension credit will be quite hard hit too. I do not think that people such as Christine will consider that much consolation. Today, the Prime Minister tried to claim, "Well, it's all right, it means that pensioners will be £15,000 better off because this is restoring the link with earnings," but the link with earnings had already been restored as part of the Turner review. Making such a change now does not provide any benefits for women for many years to come. Instead, in the next few years, it hits extremely hard women who have worked hard for their families and for society.

Women on the Government Front Bench and Back Benches ought to do something about this. They should stand up and be counted; otherwise they are letting down women in their constituencies.

Dame Anne Begg: Does my right hon. Friend agree that it was not good enough for the Minister responsible for pensions to say to my Select Committee that it is all right because these women can get jobseeker's allowance or employment and support allowance instead?

Yvette Cooper: My hon. Friend is exactly right. It is appalling to suggest that these women can get jobseeker's allowance, because many of them have claimed very little throughout their lives. They have believed in working hard, doing their bit, and making their contributions to their family and their society, and the state pension was what they had earned—what they had saved for and contributed towards. Saying to them that they should claim jobseeker's allowance, which is set at a much lower level, or that, having perhaps taken early retirement to look after the grandchildren only now to find that they cannot do so because they cannot make their savings stretch, they must suddenly try to find work after so long out of the labour market, misunderstands the reality of their lives and the pressures they are under. Something needs to change. The Government have done U-turns on issues such as forests; they have paused on the NHS; and they should make a massive change on this policy.

Jessica Morden (Newport East) (Lab): Does my right hon. Friend agree that not only is this change coming in very quickly but thousands of women out there are not aware of it, despite the excellent campaign, because the Government have provided very inadequate information?

Yvette Cooper: My hon. Friend is right. To the extent that women can plan for such change, they need to know what is going on. At the moment, a lot of women do not know what is happening and are worried. They are starting to hear about the change, but do not know what it is going to mean for them and for their personal circumstances.

Unfortunately, I heard one of the men on the Conservative Benches mutter "Deluded" in response to my call for the Government to U-turn. I have to say to him that he is deluded if he thinks that women across

[Yvette Cooper]

the country will not feel extremely angry. The more that they realise what the Government are doing, the more they will be knocking on the doors of their constituency MPs and asking why their MP is allowing them to lose up to £10,000 as a result of deeply unfair changes.

Mr James Gray (North Wiltshire) (Con) *rose—*

Yvette Cooper: I give way to the hon. Gentleman; I hope that he can defend the proposals.

Mr Gray: I am grateful to the right hon. Lady for giving way. As one of the two Conservative men who signed the early-day motion on this subject, the other being my hon. Friend the Member for Worthing West (Sir Peter Bottomley), I very much sympathise with the point that she is making on behalf of women born in 1953 and 1954—like me; 1954 was a vintage year. Does she not regret that in the motion she has chosen to make a broad sideswipe at the Government that is much less well thought through than her point about that particular cohort of women? Had she focused her attention on that, she might well have found one or two of us joining her in the Lobby.

Yvette Cooper: I apologise for my slightly aggressive reaction to the hon. Gentleman when he stood up; I should have checked the EDM beforehand. I commend him for his defence of his vintage, of all sexes. He is right that this issue is of extreme concern, and I hope that we will have further opportunities to vote on it.

I will turn to the wider points in the motion that the hon. Gentleman criticised, but which I think are important. It is women rather than men who are taking the biggest burden in the Government's deficit reduction plans. The Government know of our deep concern that they are cutting too far and too fast, and that they are hitting growth and pushing up unemployment, which will cost us more. However, even those who support the scale and pace of the Government's plans should be worried about the way in which they are carrying them out.

The House of Commons Library has produced detailed analysis of the direct tax and benefit changes in the Government's emergency Budget and the spending review. A net total of £16 billion is being raised. That takes account of the increase in tax allowances and the cuts to tax credits. It looks at the extra money as well as the cuts. The conclusion is that £5 billion is coming from men and £11 billion is coming from women. Women are paying more than twice as much as men to get the deficit down, yet women still earn less and own less than men. How can that be fair?

Harriett Baldwin (West Worcestershire) (Con): Will the right hon. Lady confirm that the numbers she is citing include the £3.75 billion from the child benefit cuts for higher rate taxpayers such as me, who obviously are predominantly women?

Yvette Cooper: The figures include everything, so they do include the child benefit changes, as well as the change in tax allowances, the cuts to housing benefit, the cuts to public sector pensions and a series of other things. The point is that the cumulative impact will hit women much harder than men. Women who are on higher incomes will be hit much harder than men who are on higher incomes. Women who are on lower incomes in households where the man is on a higher income will also be hard hit, even though they may only be on part-time or low earnings. The hon. Lady is right that the analysis does not separate women on the basis of different levels of earnings, but it does show that at every level of earnings, in every sector of the economy and in every sector of society, women are being hit harder than men.

Harriett Baldwin *rose—*

Claire Perry *rose—*

Mary Macleod *rose—*

Yvette Cooper: I give way to the hon. Member for West Worcestershire (Harriett Baldwin) first.

Harriett Baldwin: Is the right hon. Lady saying that she would like my child benefit of £81.20 every four weeks to be reinstated, despite the fact that I make more than £65,000 a year as an MP?

Yvette Cooper: We have said that we think there is a serious advantage in some universal benefits. I do not think that the hon. Lady should be paid child tax credit, and she is not, because it is right that some things depend on people's incomes. However, it is important that some things are universal. That is why we have said that there are serious problems with what the Government are doing on child benefit. She needs to take seriously the point that at every level of income and in every sector of society, women rather than men are the hardest hit.

Kate Green (Stretford and Urmston) (Lab): As someone who has staunchly defended universal child benefit precisely because of the reach that it secures for the poorest families—better than the means-tested benefits that are designed to reach them—I am pleased to tell the hon. Member for West Worcestershire (Harriett Baldwin) that I will certainly campaign for the reinstatement of child benefit for all parents. Does my right hon. Friend agree that one reason why it is so important to have benefits that are predominantly directed at women is that even in the best-off households, the way in which income is divided between a couple often favours the man? It is important to give women some independent income to protect their financial independence within the household.

Yvette Cooper: My hon. Friend is right, because who gets the income in the household matters for a lot of women. Child benefit was about giving women an independent income, and it has given women a greater ability to make choices about their own lives.

The Government have dismissed the figures about the impact on women and men. They say that those figures cannot be calculated, but they have calculated no figures of their own. They claim that it cannot be done. That is rubbish, because the House of Commons Library did it, and pretty quickly. They also claim that it is not possible for the Government to come up with such figures, but the Treasury has done it before. When

the Minister for Women and Equalities and I were new Back Benchers, I asked Treasury Ministers a written question on exactly the same thing. I asked what was the impact on women compared with men of the 1997, 1998 and 1999 Budgets. Treasury Ministers were able to calculate it then and they can calculate it now. The answer was that men benefited by £2.30 per week and that women benefited by £5.30 per week from the changes brought in by the Labour Government. This is the contrast: the Labour Government's first Budget helped women twice as much as men; the Tory-led Government's first Budget hit women twice as hard as men.

The Government say that one cannot look at men and women separately, but that one must look at households. That is the point that my hon. Friend the Member for Stretford and Urmston (Kate Green) made. The Government's plans for universal credit have the same kind of flaw. They are talking about a single payment being paid to a single household member, with the risk that it will go predominantly to the man. What the Government say is just not true. Of course people choose to share their money in the household and in the family, but that is the point—they choose to share their money. Who gets the money in the first place matters. Beveridge understood that 60 years ago. That is why he introduced the family allowance, which led to child benefit. I do not understand why Government Members and the Government are so blind to this issue. Women on the Government Benches would be horrified if suddenly their salaries were paid to their husbands on the basis that it does not really matter because they are in the same household. That is the logical consequence of the Government's arguments about households and for not being able to do such analysis.

Mrs Louise Mensch (Corby) (Con): The right hon. Lady is pretending that child benefit is an income for women that is paid to women, but it is a benefit that is paid for the benefit of the child. It is not and never has been income for women.

Yvette Cooper: The hon. Lady does not seem to understand that most women do the spending for the children. That is why, originally, Beveridge wanted to ensure that women got some money. Right now—*[Interruption.]* Government Members obviously do not talk to women in their constituencies about the way in which child benefit money matters massively as part of their income. Of course a lot of that money is spent on children, but however women spend it, the fact that it is they who get the income gives them choices about how it is spent.

I suggest that the hon. Member for Corby (Mrs Mensch) listens to the recording of "Woman's Hour" from soon after the Government's announcement of their plan to take child benefit from those on the highest earnings. A lot of women called in to describe how they were on a low income, even though their husbands were on a higher income. They spoke about the difference that it made to have some money that came to them and over which they made the decisions, even if it was then spent on the children and their future.

Mrs Mensch: I am grateful to the right hon. Lady for being generous and giving way to me again. My constituency of Corby in east Northamptonshire has a large proportion of lower-income women. The women who come to my surgeries are delighted that higher-income women and families will not be paid this benefit, because they regard it as fundamentally unfair that rich people receive benefits. They cannot understand why it is the Labour party that is protecting benefits that are paid to the rich.

Yvette Cooper: Are those constituents equally delighted by the cuts to child tax credit, the cuts to the baby tax credit that is paid in the first year, the cuts to the Sure Start allowance, the cuts to their Sure Start centres, and the huge cuts that are hitting low-income women across the country? I bet they are not. I bet the hon. Lady did not ask them about those things when they came in and she started talking to them just about child benefit for higher earners.

Nicky Morgan (Loughborough) (Con): Those same women—we are talking about these abstract women—are also extremely unhappy about the massive deficit left behind by the previous Government. Whether someone is a mother or a father, their children are facing an enormous debt. This Government are tackling the debt that the right hon. Lady's Government left behind.

Yvette Cooper: If we had not had the increase in the deficit during the global financial crisis, we would have seen recession turn into slump. We would have seen huge numbers of women lose their jobs and be stuck in long-term unemployment. We would have seen women and their families lose their homes and savings, so it was right to support the economy during the recession. As a result of our decisions, the economy grew and the deficit came down. Unfortunately, the Minister's Government have decided to put a political timetable for deficit reduction into place far ahead of the interests of the economy. They are hitting public services far faster than they needed to, but they are also hitting jobs and pushing far more women out of work and on to benefits and the dole, so that they cannot support their families.

Even if the Minister for Women and Equalities believes that the Government should cut the deficit this far and this fast, how can she possibly think it is fair for women to be paying £11 billion of the £16 billion reduction that is coming from tax and benefits, while men pay £5 billion? How can it be fair for women to pay twice as much as men, despite the fact that they still earn less and own less?

Sometimes I think that the Prime Minister has a blind spot about women, but most of the time I think the truth is probably far worse. This is an ideological problem for the Tories and Liberal Democrats. Despite the fact that there are many women in both parties who strongly want to see greater progress for women, the overall ideology of both parties at the moment is that the public sector should not worry about supporting families, about who gets the money within families or about what happens to families, because that is a private matter that the public sector should not engage in. They believe that such things as tax credits are bad, because they breed dependency. The truth is that for millions of women, pension payments or tax credits create not dependence but independence. They give women greater choice about how to balance work and family life, and about whether they can afford to stay at home while the kids are young or cover their child care payments so that they can go out to work.

[Yvette Cooper]

I know that this is not easy for the Minister, because she does not control what happens in other Departments. She did the right thing at the very beginning of the Government's time in office when she warned Ministers of their obligations to consider equality and the impact of policies on women. Unfortunately, few of those Ministers seem to have been listening. Several may indeed have told her to calm down.

Even if the right hon. Lady is not fully aware of what is happening across the Government, she does have responsibility in her own Department, the Home Office, and there are serious grounds for concern there. The committee on women in policing, for example, did not meet for more than a year. It would be helpful if she told the House whether it has yet met, and whether it is now doing any work to support more women to get into the police.

The right hon. Lady has followed the previous Government's example of announcing a cross-Government strategy to tackle violence against women, which we welcome. We also welcome her support for rape crisis centres, but she does not seem to be reflecting what is actually happening on the ground, with one in five domestic violence courts closing; specialist domestic violence officers in police forces up and down the country being cut as a result of her 20% cuts to the police; refuges having to close their doors; DNA not being held in rape cases in which charges are not brought; and sentences for rapists potentially being halved if they plead guilty. We have seen her refusal and reluctance to sign the trafficking directive until pressure mounted in the House, a U-turn on anonymity for rape defendants only after pressure from the House, and her resistance, still, of the Council of Europe's convention on violence against women.

Those matters have deep consequences in practice. The POPPY project has told me of the story of Lucy, who was heavily pregnant and being treated for a life-threatening disease, and who had been severely beaten by her father. Lucy's doctor was trying to find accommodation for her. Due to the squeeze on local government budgets, the homeless persons unit said that it could not treat Lucy as being in priority need, and social services wrongly said that they did not need to help her because the baby had not yet been born.

Lucy was getting ready to sleep on the street for the weekend. The doctor could find only one refuge space, but it was too far away. The worker explained to the doctor that Lucy needed a legal letter telling social services and the homeless persons unit that they had a duty of care to her. Experience showed that only that legal threat would make the services act. Unfortunately, as hon. Members know, legal aid cuts are now biting, and solicitors were scarce and none had the space to take Lucy's case. In the end, her doctor persuaded the hospital contract doctor to write a letter. It was not his responsibility, but he did so, and Lucy was given temporary accommodation. It came in the nick of time, because the refuge workers said that on that day, five other women fleeing domestic violence came in and asked for help, and were not as lucky as Lucy. They tell me that some ended up sleeping on the street. That is the reality of what is happening to vulnerable women at the sharp end of the cuts.

Geraint Davies (Swansea West) (Lab/Co-op): My right hon. Friend mentioned in passing the fact that 65% of public sector workers are women, so they will be hit disproportionately. In my constituency, some 40% of workers are in the public sector. Does she accept, given what she has just said, that further cuts will tend to generate more domestic violence because of the economic pressure put on family life? There is a disproportionate impact on women not just economically but through domestic violence and the lack of funding to support increasing demand for services at a time when there are also cuts to the police budget. That is terrible for communities such as the one I represent.

Yvette Cooper: My hon. Friend is right. There are increased pressures on services, as well as cuts to many resources. Women workers in public services are feeling the strain, too.

The Minister for Women and Equalities will doubtless tell us about the good work that she and the Minister for Equalities are doing to improve women's lives, which we welcome, but we believe that we need to go further and do more. We want to support them in their work, but we need them to do much more than they are doing now. We need them to start standing up for women in the Government. We will back them if they do, and we will support them even if their colleagues do not. However, they must act. They cannot just stand on the sidelines. They have a duty to stand up for women in this country, and to get in there and fight. They need to undertake some proper, independent research on the impact of the cuts and their reforms on women. They should use the work that has been done by women's organisations in Coventry with the university of Warwick, because if they do not, we will. We will work with local groups and institutions to monitor what is happening to women across the country.

The truth is that equality for women is not just about women, it is about everyone. A fairer society for women and an economy that uses women's talents is better not just for families but for everybody. I have always believed that every generation of women would do better than the last, have more opportunities and choices, break through more glass ceilings and challenge more conventions. However, I fear for our daughters and granddaughters as a result of what the Government are doing. We owe it to them to further the march for women's equality and not to be the generation of women who turn back the clock.

1.47 pm

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): Yet again, we have heard a speech from the Opposition Benches that included no recognition of the economic mess that the last Government left us, no constructive suggestions and no positive policy proposals for the future of this country. That is not constructive opposition, it is shameless opportunism.

Let me remind the Opposition once more why we are having to take action to restore sanity to our public finances. They left us with the largest budget deficit in our peacetime history, and they left us spending £120 million every single day just on paying the interest on the debt that they racked up. That is more than we spend each day on policing, schools or child benefit. They left us

with a deficit higher than that of Portugal or Greece, which have had to go cap in hand to the EU for a bail out. The experience of those countries shows that the risks of not dealing with Labour's deficit are not imaginary but very real.

Yvette Cooper: Does the right hon. Lady think that the Labour Government should have cut public spending in the middle of a recession, and not allowed additional support for those who were unemployed and for businesses? If so, does she think the economy would have been growing at the time of the election if that had been done?

Mrs May: The Labour party, and the right hon. Lady as a former Treasury Minister, knows full well the risks of failing to deal with the deficit today. That is shown not just by what we are doing, but by what the Labour party itself said it would do if it was in government. I am talking about the position that we are in today, which was left us by the Labour Government, and the actions that we are having to take to deal with it. She must recognise that if the Labour party were in government today, it would be cutting £7 for every £8 that the current Government are cutting.

Helen Goodman (Bishop Auckland) (Lab): The Opposition understand that the deficit must be dealt with and we want to get growth moving, but does the right hon. Lady think that that will happen if women are forced out of their jobs because they cannot pay their child care costs?

Mrs May: I am afraid that the hon. Lady's claim that the Opposition understand dealing with the deficit rings false when we hear what they say the Government should do about the deficit. On the one hand, the Labour party tries to argue that what the Government are doing to address the deficit is wrong, and on the other hand Labour Members remain silent about the fact that a Labour Government would cut £7 of every £8 that this Government are cutting this year. We hear nothing from the Opposition about where those cuts would fall.

Kate Green: The issue for the Opposition is exactly where the cuts fall. As my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) said, not only is the bulk of the Government's deficit reduction programme hitting women, but women's unemployment is increasing disproportionately compared with men's unemployment.

Mrs May: In the last three months, the increase in employment for women was greater than the increase in employment for men. Opposition Members, including the hon. Lady and the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), have said today that what the Government are doing is wrong. We hear that in debate after debate. Opposition Members stand up and tell us that the cuts in virtually every area of public sector expenditure are wrong. If they were in government, they would be making cuts. In that case, the question for them is where they would make those cuts.

Geraint Davies: Does the right hon. Lady accept that the deficit was the price we paid to avoid depression? The choice for the Government is whether to make deep and savage cuts that will stop growth, and to increase VAT, which will stoke inflation, or to focus on growth and make more balanced savings over time, and, obviously, to make the bankers pay their fair share. In the case of the police, the Opposition would cut 12% rather than 20%. That is a more balanced approach that would not undermine growth or increase the deficit in the process.

Mrs May: The premise on which the hon. Gentleman began his intervention was incorrect, because he failed to recognise that we are dealing with a structural deficit. This is not about the world recession, but about the structural deficit that was built up by the previous Labour Government.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We must remember that this is a debate about women. We do not want to go too far talking about the deficit. I know that the two tie in, but we are in danger of having a deficit debate rather than ensuring that the women's debate is heard.

Mrs May: Mr Deputy Speaker, I shall move off the —*[Interruption.]*

Geraint Davies *rose*—

Mrs May: If the hon. Gentleman wishes to intervene again to give me an idea of where the Labour party would make cuts if it were in government, he is free to do so.

Geraint Davies: The Institute for Fiscal Studies has shown that something like a third of the deficit was excess investment—

Mr Deputy Speaker: Order.

Mrs May: Thank you, Mr Deputy Speaker. Answer came there none to my challenge to the hon. Gentleman.

The Government's action is taking Britain out of the danger zone, but we are also taking action to deal with Labour's record deficit in a way that protects the most vulnerable, whether they are men, women or children. We have therefore had to take some difficult decisions on public spending, but in a way that has allowed us to protect the public service on which women most rely—we are increasing spending on the NHS in real terms every year. The Opposition cannot say that they would do that, because they would cut spending on the NHS.

Yes, we have had to implement a public sector pay freeze, but that has allowed us to protect against more public sector job losses. Even as we implement the pay freeze, we are protecting the lowest-paid public sector workers, almost two thirds of whom are women. Again, the Opposition cannot say that they would do that.

Yes, the Government have had to make tax changes, but as we have done so we are lifting 880,000 of the lowest-paid workers out of income tax altogether, the majority of whom are women. That was opposed by the Labour party, which is surprising given that it claims to be committed to redistribution.

Helen Goodman: Will the Minister give way?

Mrs May: I shall make some progress.

[Mrs May]

Yes, the Government have taken the difficult decision to remove tax credits from higher earning families, but that has meant that we can increase child tax credits for the poorest families, protecting against increases in child poverty. In fact, that decision has meant that we can increase child tax credits by £180 and then £110 a year over and above the level promised by Labour. Those policies are not just about helping women, but about protecting the most vulnerable.

Yvette Cooper: The right hon. Lady said that the increase in tax allowances helps women. In fact, the figures produced by the House of Commons Library show that the increase in the tax allowance benefited 13,500 women and 16,800 men. Even what she did to benefit households benefited more men than women. In addition, her cuts—in child tax credits, child benefit and so on—all came from women. That is the point. She is taking far more from women, but when she gives some back, she gives more back to men.

Mrs May: It is absolutely clear that the majority of the lowest-paid workers are women, as are the majority of workers who were taken out of tax. The right hon. Lady refers again to the House of Commons Library figures—she keeps quoting them—but they were produced on a remit that she gave to the Library. Interestingly, she earlier spoke of the distribution and sharing of incomes within households. However, the assumptions on benefits made in the figures that she quotes go against what she was saying about what happens within families.

For the first time, people will have the information to judge for themselves whether they think the Government's decisions are fair. We have been making some difficult decisions, but for the first time the Government published an overview of the impact of the spending review on groups that are protected by equalities legislation, including women. The analysis demonstrated that our decisions mean that services used by women are protected. With our Budgets in 2010 and this year, and with the spending review, we published unprecedented distributional analysis of our proposals, as the IFS has acknowledged. Such analyses were never published by the previous Government. Perhaps if they had thought to publish such information, they would have avoided policies that hit some of the poorest the hardest, such as scrapping the 10p tax rate, which my hon. Friend the Member for Devizes (Claire Perry) mentioned.

I reject the Opposition notion that we can judge the value of a policy simply by looking at the number of men or women who are affected by it. We should not reduce the amount that we invest in tackling youth unemployment just because more young men than young women are unemployed, but that is exactly what the Opposition's analysis suggests we should do. They say that spending on tackling youth unemployment would be unfair on women.

We should not stop investment in policies that will return Britain to growth, such as cutting corporation tax, because more men run companies than women. However, again that is exactly what the Opposition's analysis suggests we should do. I reject that argument. We need to ensure that more women can start businesses as we invest in getting Britain's economy going. In fact, one symptom of the inequality between men and women is that more women than men rely on state spending.

We need to continue to support all women who need it, which is why we have ensured that we have protected child benefit and tax credits for women on low incomes, and why we will increase the value of the state pension, and protect benefits such as the winter fuel allowance and free bus passes for older women. However, if the previous Government taught us one thing, it is that more state spending might help to deal with the symptoms of inequality, but it does not address the causes. This Government are determined to get to grips with the causes of inequality between men and women, from job opportunities to the number of women in top, senior positions, to tackling the shameful levels of violence against women, and working to reverse the commercialisation and sexualisation of childhood.

Liz Kendall (Leicester West) (Lab): The Home Secretary will know that some of the key causes of inequality come into play during the very earliest years of a child's life. Can she explain why her Government are cutting £5 million from the early intervention grant in Leicester, which covers children's centres and Sure Start, which are crucial to giving all children the very best start in life?

Mrs May: We agree that early intervention is very important and, as the hon. Lady will know, the hon. Member for Nottingham North (Mr Allen) produced a very significant report for the Government on the whole issue of early intervention. The Government are ensuring that, within the early intervention budget, there is sufficient funding to provide for a network of Sure Start centres. We are also ensuring—as we are in other areas, as I have mentioned in terms of focusing what the Government spend on the most vulnerable and those most in need—that Sure Start is returned to the early focus it was intended to have by the last Labour Government, which was helping those who are most in need, those on the lowest incomes and those who most need access to the sort of provision that Sure Start and children's centres can provide.

I want the Government to take a new, more mature approach to engaging with women. I want to see women's voices in government strengthened. That is why we launched a consultation on how the Government listen to and engage with women, which has already received nearly 900 responses. In today's world, we need to make full use of communications technology, social media and other techniques to allow us to talk to women directly.

The Government are focused on giving opportunities to women. We need to move beyond just protection from discrimination and help women to get on in modern businesses and modern workplaces. Many women have benefited from the introduction of the right to request flexible working for parents and carers, but by restricting flexible working to certain groups, the idea was perpetuated that this is some sort of special treatment. We will therefore extend the right to request flexible working to all employees. This will not only shift attitudes, but will help to shift behaviour away from the traditional 9-to-5 model of work that can act as a barrier to many women and that also does not make sense for many modern businesses.

Another stereotype we need to shift is the idea that women should do the caring and men should earn the money when a couple decide to start a family. Our policy to introduce a new system of flexible parental leave will make a real difference to working women who want to have children. For the first time, it will allow both parents to choose what is right for them and what is right for their family. If fathers want to take more of a role, they can. If mothers want to return to work earlier, they can. If parents want some time at home together after the birth of their child, they can have it. What matters is that they will have a choice.

Helen Goodman: I agree with the Home Secretary that we want to maximise people's choices, but she must be aware that most non-resident parents are men and most parents with care are women, and that the latter have lower incomes. How can she justify putting a charge on those parents with care when the non-resident parent is not paying up on child maintenance?

Mrs May: As the hon. Lady knows, we have had a consultation on how we deal with the child maintenance issue. I hope that she would agree that despite the efforts of both Conservative and Labour persuasions over several years, we have not got the child maintenance system right in this country. There are too many people who do not see the absent parent paying child maintenance and we need to do everything we can to get a system that will work. As she will know, the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller), is looking at this issue and the alternatives available under the child maintenance proposals.

As well as giving all women better opportunities in the workplace, we need to do more to help those who aspire to the very top. Last year, only 12.5 % of all FTSE 100 board members were women. That is simply not good enough, and that is why the Government commissioned Lord Davies to look at how we can increase the number of women on company boards. We have made good progress in implementing Lord Davies' recommendations. In May, the Financial Reporting Council launched a consultation on changes to the UK corporate governance code in order to help to achieve more diverse and more effective boards. The head-hunting industry has agreed a voluntary code on diversity, and we are building a strong sense of ownership and action in FTSE 100 companies. We have agreed with them a plan for how company aspirational targets should be published by September.

The latest figures suggest there has already been an improvement in FTSE 100 companies, just by our shining a light on this area. Some 31% of new board members appointed since Lord Davies' report have been women, up from just 13% last year, and the number of male-only boards has dropped from 21 in October to 14.

We are also helping women to break through the glass ceiling by providing an all-age careers service. The new service will be fully operational by next April, and will provide high quality, professional careers guidance that will be open to all young people and adults. That will help women to make the right choices for themselves and for their careers. For the lowest paid, we will raise the minimum wage to £6.08—two thirds of those on the minimum wage are women.

In other areas we are also making the right decisions to help the most vulnerable. On pensions, again we have had to make some difficult decisions. Yes, we have proposed accelerating the rate at which the state pension age for women becomes the same as the state pension age for men. With life expectancy rising—and one in nine women pensioners is now expected to live to more than 100—and with the overwhelming need to reduce the deficit, this was a decision we could not duck. But it means that at the same time we have been able to commit to a triple guarantee, which will increase the basic state pension by earnings, prices or by 2.5%, whichever is highest.

The right hon. Member for Normanton, Pontefract and Castleford claimed that the earnings link had been restored by the Turner report. Of course the Turner review referred to the earnings link, but the last Government did not restore it. This Government have restored the earnings link and gone further with the triple guarantee.

Dame Anne Begg: Do I take it from what the Home Secretary says that the reason for the acceleration of the state pension age to 66 by 2020 is that the Government can pay for the triple lock on today's pensions? It cannot be about deficit reduction because it comes after the deficit is supposed to have been abolished.

Mrs May: In fact, by the end of the comprehensive spending review period we will still have a debt of £1.4 trillion, which is three times the debt in 2006-07, so we will still need to look carefully at our public sector finances. It is this Government who have introduced that triple lock on pensions that will benefit today's pensioners. For too long under the previous Government, older women had to rely on means-tested benefits, with many not claiming their entitlements at all. Our triple guarantee will help to improve the value of the state pension, giving real security and a decent income for all women pensioners. Although women will experience the rise in the state pension age more quickly than previously planned, they will still draw the state pension for an average of 23 years.

Dame Anne Begg: To be clear, is the Home Secretary agreeing that the triple lock will be paid for by the 500,000 women who will have to wait longer for their state pension in order to reduce Government debt? That returns us to the essence of this debate—why should women bear a higher proportion of reducing the deficit than men?

Mrs May: It is not the case that there is a simple link between the acceleration of women's pension age and the expenditure on the triple lock. What is happening with pensions is more complex. Two things are happening in relation to the state pension age. The first is the overall acceleration for men and women, raising the age of state pension entitlement. That will bring in significant sums of money and is a reflection not only of Government finance issues but of increased longevity. When the state pension was first introduced, people lived for a very short period, comparatively speaking—a matter of two to five years—beyond their retirement. Today, people live for a significant length of time beyond their retirement. The Government therefore need to raise the state pension age, as has been recognised by previous Governments—the initial decisions to accelerate the rise and raise the state

[Mrs May]

pension age were taken by previous Governments. We have had to take these difficult decisions. As I said, however, although women will experience the rise more quickly than previously planned, they will still draw the pension for an average of 23 years.

Claire Perry: I am sure that my right hon. Friend is aware of this point, but in the proposals for 2016 and thereafter will we not be addressing the long-standing problem of women who have taken career breaks being ineligible for a state pension, which is a travesty that we should have sorted out before? Under the proposals we will bring forward, there will be much more parity in that area.

Mrs May: My hon. Friend makes an important point that I was about to deal with. In the longer term, we want to take reforms even further. The state pension Green Paper proposed a single-tier state pension combining the state pension and the state second pension to provide an estimated £140 per week, which would be of particular benefit to women who have had to take time out of the labour market because of their caring responsibilities. The coalition Government are not just talking about this—we have actually made proposals to help women in this regard.

On health, we are pursuing policies that give real help to women. We have stuck to our promise to increase health spending in real terms; we are sticking to our coalition agreement commitment to increase the number of health visitors by 4,200 by 2015; and we are making available £400 million over the next four years to support breaks for all those hard-working carers, many of whom are women.

I have made it absolutely clear, as has my hon. Friend the Minister for Equalities, that tackling violence against women and girls is one of my top priorities, which is why in March we published an action plan to tackle the problem; it is why we have provided more than £28 million of stable Home Office funding until 2015 for local specialist services; it is why we have provided £900,000 until 2015 to support national helplines; and it is why for the first time we have put funding for rape crisis centres on a stable footing. We will provide more than £10 million over three years to support their work, and we will open new centres where there are gaps in provision. This should not be a party political issue. It is about helping the 1 million women who suffer domestic abuse each year; the 300,000 women who are sexually assaulted; and the 60,000 women who are raped. As the right hon. Member for Normanton, Pontefract and Castleford said, one in four women will experience domestic abuse in their lifetime, and that will often be accompanied by years of psychological abuse. That is why the Government take violence against women and girls so seriously.

We will only change damaging behaviour, however, after we have changed the underlying attitudes that cause that behaviour. Those attitudes are fundamentally affected by the culture and society in which children grow up. We share the concern of many parents that children are now being exposed to sexualised images and an increasingly sexualised culture from an early age, which is why we commissioned Reg Bailey, the chief executive of the Mothers' Union, to lead an independent review of the commercialisation and sexualisation of childhood. He has listened to parents' concerns about explicit music videos, outdoor adverts and the increasing amount of sexual content in family programming on television.

Reg Bailey's recommendations call on businesses and broadcasters to play their part, and they include putting age restrictions on music videos, covering up explicit images on the front pages of magazines and newspapers and restricting outdoor adverts near schools, nurseries and playgrounds. He also recommends that retailers sign up to a code of practice that checks and challenges the design, display and marketing of clothes, products and services for children. There has been a great deal of goodwill from the broadcast, retail and advertising industries throughout this review. They know that family-friendly practices make good business sense, and the Government will now look to work with business to implement the review's proposals.

As well as helping women in this country, we are doing more than ever before to help women overseas. We are putting women at the heart of our international development policies, because in development there are few better options than investing in women. In Ivory Coast, for example, an increase of just $10 in women's income achieves the same nutritional and health outcomes for children as an increase of $110 in men's income. On international women's day, the Department for International Development published its new strategic vision for girls and women. It sets out that, by 2015, our international development work will have saved the lives of at least 50,000 women in pregnancy and childbirth and 250,000 newborn babies; will have allowed at least 10 million women to access modern methods of family planning; will have supported more than 9 million children in primary education, of whom at least half will be girls, and 700,000 girls in secondary education; and will have helped 2.3 million women to access jobs and 18 million women to access financial services.

Graham Evans (Weaver Vale) (Con): The majority of part-time students studying for first degrees are women. Ten years ago I graduated as a mature part-time student—and I was pleased to note then that the majority of students were women. However, will my right hon. Friend confirm the Government's decision to extend loan support to part-time students, which will give women the opportunity to advance their careers through further education?

Mrs May: I commend my hon. Friend on his experience and how he got his qualification—I am choosing my words carefully, given what he said about the number of females on the course. However, it is important that we support part-time study, because it is an option that people are increasingly considering. The extra support that we have provided and the way we have dealt with the issue are important steps forward. As he said, such support will have a particularly significant impact on women, given that many part-time students are women.

Heidi Alexander (Lewisham East) (Lab): On students, women in my constituency often tell me about the need for good English language schools. The Home Secretary will know that the co-financing proposals for speakers of other languages will affect women disproportionately—74% of those affected by the proposals will be women. What conversations has she had with the relevant Minister about that issue?

Mrs May: I have had a number of conversations over time with the relevant Minister on the issue of English language schools and colleges.

I wish to finish the point about tackling violence against women and girls overseas. My hon. Friend the Minister for Equalities has also been appointed as our overseas champion for tackling violence against women and girls. We have a moral duty to act to support women around the world.

The Opposition's record on women speaks for itself. They left government with 1 million women unemployed and 200,000 more women unemployed than when they came to power—and that is without even mentioning the deficit. We are sorting out their mess and protecting the most vulnerable, even as we deal with Labour's deficit, and we are giving women the opportunities they need to be successful: flexible parental leave; more women on boards; careers advice for all; flexible working extended; NHS spending protected; resources for violence against women defended; international development spending centred on women; low-paid people taken out of income tax; pay rises for low-paid public sector workers; child tax credits higher than under Labour; a triple guarantee on pensions; and the minimum wage up. Which of these policies do the Opposition disagree with? Where is their plan to deal with the deficit, to sort out the public finances, and to get Britain back up off its knees? They have no policies that would benefit women, no positive ideas, nothing to say to protect the most vulnerable, and therefore no credibility. All they offer is empty opposition, and that is why their motion deserves to fail.

2.18 pm

Emma Reynolds (Wolverhampton North East) (Lab): I am sure that Members on both sides of the House will agree that discrimination and prejudice have blighted women's lives for many decades and centuries, and we will all have stories of how our own families have been affected by it. In the 1950s, my grandmother, who was a midwife, was nearly forced out of work purely because she got married and started having children. In the 1970s, when my mother was pregnant with me, she was sacked because she was pregnant. She took the case to court, but was unsuccessful. Furthermore, it was only 20 years ago that marital rape was criminalised. It is incredible and horrific to think that until 1991 a man could rape his wife without her having any recourse to justice.

As my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) said, much progress has been made in recent decades. However, it has been hard-fought, and I worry that it is fragile. Much more remains to be done. Girls do better at school and university than boys, but that is not filtering through into the labour market. Women earn less than men, and women own less than men. Men dominate the FTSE 100 companies, and one in four women at some point in their life will experience domestic violence. I also have to say that for every five men in this Parliament there is only one woman.

The case for gender equality is often expressed in the language of fairness and social justice, but there is also a powerful economic case for gender equality. It simply does not make sense to under-utilise the potential of half the population. A gender-equal society is not just fairer; it will be stronger, too. My worry is that the Government are complacent about the progress that has been made and that their policies might set us back years, or perhaps decades. The devastating economic impact of the Government's policies on women is particularly distressing. Let us face it, the Government did not get off to a great start. This time last year, they failed to do an equalities impact assessment of their emergency Budget.

As my right hon. Friend the Member for Normanton, Pontefract and Castleford set out, the deficit reduction measures are going to hit women much harder than men. Just as I am worried that the midlands and the north will be less able to cope with the economic gamble of this Government's deep cuts, with the private sector less likely to take up the slack in those areas than in the south, I am also deeply concerned that women's employment and pay will be disproportionately hit by the Government's policies. Of the 500,000 jobs estimated to be lost in the public sector, an estimated 65% to 80% will be women's jobs. It is not clear that the loss of jobs held by women in the public sector will be offset by an increase in the private sector. Therefore, the employment gap between men and women is likely to widen. Moreover, the gender pay gap is also likely to widen, as the private sector has a much higher pay gap than the public sector, with men earning over 20% more than women.

Dame Anne Begg: I have to give my hon. Friend the bad news that in some areas the gender pay gap is even wider. In my constituency the gender pay gap is 30%, partly because a lot of the men have high-paid jobs in the oil industry, whereas the women generally work in the service industry.

Emma Reynolds: The gender pay gap has been a problem for decades. Even though we legislated in this country in the 1970s, there has not been enough movement to narrow the pay gap.

Let me turn to the commitment in the coalition programme to

"promote equal pay and take a range of measures to end discrimination in the workplace."

When the Minister winds up, I would like her to explain exactly how the actions that I have described will further that commitment. I fear that we will go backwards, not forwards.

The benefit cuts and changes also have a disproportionate effect on women. I support the eventual equalisation of the pension age for men and women, but again, we have seen the Government's total disregard for the 500,000 women aged between 56 and 57 who, at very short notice, will have to wait two years longer before receiving their pensions. Also, cuts to child benefits and the working family tax credit, which involve help for child care costs, will make it harder for women to combine parenthood and work. For women with children, those benefits do not create dependence, but give them independence and a real choice of whether to stay at home or work part time or full time. Now that choice will only get harder.

Nicky Morgan: My constituents have told me that one of the problems with the current system of tax credits—and the reason why the universal credit is needed—is that a number of women in receipt of tax

[Nicky Morgan]

credits found that if they worked even one or two hours extra, they immediately started to lose more benefits than they were gaining. The point is that we want to encourage women's independence, as the hon. Lady says, which means the ability to be flexible and take on more work if it is available, yet the current tax credits system seems somehow to stop that.

Emma Reynolds: I share the hon. Lady's sentiments, but I do not agree with her conclusions. The child care element of the working tax credit is particularly important, especially for parents on middle incomes, yet it is being cut quite substantially. Those cuts in particular will reduce parents' opportunities to work if they want to. I want both parents to have the choice of working, if they so desire, as well as balancing family commitments. Indeed, a civilised society should provide that framework, so that both parents can, if they want to, combine work with parenthood. Again, this is not just about fairness; it also makes economic sense.

However, this Government are guilty not just of attacking women's economic empowerment, but in their work on tackling violence against women. We have seen many ill-thought-through policies that seem to be targeted at women. For example, this time last year, when considering anonymity for defendants, the Government chose to introduce it for rape cases. I know that they have dropped the idea since, but why choose rape, a crime predominantly committed against women? We also had an interesting debate about whether the Government should increase the plea bargaining discount, and again, the crime chosen to illustrate this was rape. Again, why choose a crime that affects more women than men?

I also have deep concerns about the Government's reluctance to do anything concrete about the modern slave trade. Although I am pleased that they have finally seen the light and signed up to the EU human trafficking directive, I fear that it took them so long that they are now behind, rather than leading from the front, blinded by a degree of Euroscepticism. I also want to know what the Government are preparing to do ahead of the Olympic games next year. Unfortunately, international sporting events are magnets for pimps and traffickers. I would like to know what specific measures the Government are putting in place to stem the probable increase in trafficking due to the Olympic games. There is also much evidence that the national referral mechanism used to identify victims of trafficking is not fit for purpose. The UK Border Agency is in control of the mechanism, often treating women as illegal immigrants instead of victims—that seems to be the assumption made even before the women involved are interviewed.

In opening, I talked about the discrimination that my grandmother and mother suffered, and the progress made since. I sincerely hope that this Government will start to take seriously the risk that their policies will make women's life chances worse, not better, for the next generation.

2.27 pm

Mrs Louise Mensch (Corby) (Con): I am very glad to be called to speak in this important debate. Let me start by saying how much I agreed with part of the concluding sentiments of the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper), when she said that this debate is not just about women, but about everybody. That, of course, is where all the Opposition's arguments fall down, because they fail to perceive—she said this was ideological; I agree with her: it is ideological—that by returning the country to prosperity, we will be returning women to prosperity. She fails to perceive or acknowledge what the former Prime Minister and Member for Sedgefield, Tony Blair, has acknowledged—along with James Purnell and her right hon. Friend the Member for Birkenhead (Mr Field)—which is that her Government failed to reform the welfare system, and in doing so, failed so many of the women and children in this country, who suffered from being below the poverty line.

What a shocking indictment to hear from my right hon. Friend the Secretary of State that the right hon. Lady's Government left office with 1 million women unemployed. We heard a list in the right hon. Lady's opening arguments of all the ways in which women had fallen behind men in equality. I would say to her and other Opposition Members that Labour had 13 years in power to do something about the inequalities that women suffered, about the welfare system or about children below the poverty line, yet they signally failed to do so, just as they signally failed to tackle our structural deficit. Again and again, we heard her right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) talk about taking tough decisions for the long term, yet he never took any of them. It has taken the two parties on the Government side of the House to fix the mess that the one party on the other side left behind.

How astonishing that the Labour party actually dared to call for an Opposition day debate on women's issues. When I look at my research brief from the Government I see measure after measure designed to protect children and families. I see a relentless focus on women, children and the most disadvantaged among the dispossessed. This Government must try to perform the incredibly difficult balancing act of fixing the deficit while protecting the most vulnerable, and we are coming up with creative and flexible solutions to a problem that was left to us entirely by the Labour party.

Labour Members talk of Sure Start provision. It is a fact that under Labour 50% of Sure Start centres were failing to reach out to the most disadvantaged children. It is a fact that Sure Start provision had moved away from its original purpose, and was failing to reach the most needy and the most vulnerable. Our proposals for Sure Start provision will include payment by results, and rewards for incredibly effective Sure Start centres such as the Pen Green centre in my town of Corby in east Northamptonshire, which has just received a massive amount of investment for research from the Department for Education. We will see extra health visitors, and we will see a relentless focus on children.

I find it amazing that, yet again, what we are hearing from Labour Members is naked opportunism. My right hon. Friend made a point that has been made many times on the Government Benches and has always gone unanswered: Labour's spending plans involved cuts of £7 in every £8. When asked for specifics, Labour Members always respond with platitudes. They get to their feet and say, "We agree that the deficit needs to be tackled", but when Government Members ask them precisely how they would tackle it, they reply, "We would not make your cuts."

The women of this country are not stupid. They know that a blank piece of paper is no answer, and they know that we are fighting at every level for women. They see that there are to be new rape crisis centres in Hereford, Devon, Trafford and Dorset. They see stable funding for rape crisis centres: £10 million a year for the next three years. The Government are dealing with the important issue of violence against women, and they are taking action against rape. We are seeing deeds rather than words from this Government.

Heidi Alexander: The hon. Lady talks about fighting for women. What assessment has she made of cuts in legal aid that will have a hugely disproportionate effect on women once family law cases become ineligible for funding? Does that constitute fighting for women?

Mrs Mensch: I believe that the proposal to reduce legal aid funding was in the hon. Lady's party's manifesto. She will know, or she should know, that the legal aid system is incredibly inefficient and incredibly costly. Once again, we hear from Labour Members objections to a particular cut; once again, it is a particular cut that Labour also proposed in its manifesto; and once again, Labour Members have no specific proposals whatsoever to offer the women of this country on how they would implement their policy.

As my right hon. Friend pointed out, universal credit is an attempt to tackle not the symptoms but the root causes of women's poverty. According to statistics from the Department for Work and Pensions, it will take an estimated 350,000 children and 1 million people out of poverty. That is genuine progress. We know that women and children suffer in workless households, and we are finally grasping the nettle and tackling the problems that Labour refused to tackle.

As I look through my statistics, I see programme after programme directed at women. We have talked about the massive investments in existing rape crisis centres and the new ones that are being built. We have talked about the increase in the minimum wage—and so many of the 890,000 people affected by the increase to £6.08 will be women. Under Labour, it was perfectly legal for Jobcentre Plus offices to display advertisements for sex workers. It is absolutely appalling that Labour allowed that to continue, but this Government have stopped it.

What about the extra investment in the national health service? Labour is very quiet about the fact that it would cut funding for a service on which women increasingly rely. How bizarre to sit here—

Helen Goodman: Will the hon. Lady give way?

Mrs Mensch: I should be delighted.

Helen Goodman: Before the hon. Lady gets too high on her horse, may I point out to her that all the ground work and all the legal advice for changing the rules about which jobs could be advertised in jobcentres were produced under the last Government?

Mrs Mensch: May I please tell the hon. Lady that ground work is simply not good enough? For 13 years under a Labour Government, you allowed sex worker jobs to be advertised in Jobcentre Plus. The hon. Lady is embarrassed about that, and so she should be. It is an indictment of her Government that it was ever allowed.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I assure the hon. Lady that I was not responsible for sex workers. I should be very grateful if she would put that right.

Mrs Mensch: I apologise profusely for ever having suggested such a thing, Mr Deputy Speaker. I shall try to mind my language in future, as my mother taught me to.

It is this Government who are looking at ways of challenging inequalities in the workplace—

Fiona Mactaggart (Slough) (Lab): Will the hon. Lady give way?

Mrs Mensch: I shall be happy to do so after I have made a little more progress.

Fiona Mactaggart: It is on this point.

Mrs Mensch: I have not made it yet. However, I will happily give way.

Fiona Mactaggart: First, at no point were what the hon. Lady describes as "sex worker jobs" advertised in jobcentres. Secondly, the advertisements were not displayed for the entire term of the last Government. There had been a court decision that jobs in the broader sex industry ought to be advertised in jobcentres, and my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) and I pressed for it to be changed. I think that the hon. Lady's claim that that was an achievement by the present Government is fundamentally dishonest, and that it was equally wrong for her to say that the advertisements continued for 13 years. *[Interruption.]* I am sure that it was done by accident.

Mrs Mensch: I thank the hon. Lady for her intervention, but I must tell her that I reject her assessment. In the Welfare Reform Bill, the Government have introduced legislation to close the loophole. If the Labour Government did not like the direction in which the courts were moving, it was always open to them to introduce legislation and to do so quickly. They would have been supported by my right hon. and hon. Friends, but they chose to sit on their hands.

I commend the hon. Lady for having done some of the work, but I condemn her party's Government for not having done it quickly enough. Labour Members cannot escape the fact that it is this Government who have put right that shocking affront to women's dignity. It is also this Government who are introducing flexible parental leave between parents, and this Government who are working with businesses to bring about transparency in pay so that the massive gap between men's and women's wages—which was 16.4% under Labour—can be reduced.

The hon. Member for Wolverhampton North East (Emma Reynolds) made an opportunistic reference to plea bargaining and shorter sentences for rape. It may be an idea that will not go very far, but the present Government are at least trying to introduce measures to tackle the appalling rates of rape conviction that we saw under the hon. Lady's party. We saw zero ideas from that Government, and zero action to tackle those conviction rates.

Emma Reynolds: Does the hon. Lady think that the policy that the present Government have just abandoned of increasing the discount from 33% to 50% would have had an effect on the number of defendants pleading guilty? The Sentencing Council did not.

Mrs Mensch: I believe that it might have had an effect, but I also believe that the root cause is the fact that sentences overall for violence against women, rape and sexual offences are far too low, and that if necessary the House should direct the Sentencing Council to increase those overall sentences. In that wider context, the proposal might have made more sense. Let me point out to the hon. Lady that the entire left-wing press, including *The Guardian*, roundly condemned her right hon. Friend the Leader of the Opposition for his naked opportunism over the issue of sentencing and rape. As with rape crisis centres, it is this Government who are trying to do something about it.

Since December the number of mixed-sex wards has fallen by some 77%, and many women are no longer having to suffer that indignity. There is more investment in the NHS. Sure Start centres are protected under law from arbitrary closure by local authorities, which now have great flexibility to spend their budgets as they wish. Extra intervention means that there will be new health workers to help mothers to breastfeed, and to help the most vulnerable families. Sure Start is being targeted at the women who need it most.

When we look at the overall reforms of the economy, universal credit, the lifting of women out of poverty and the creation of opportunities, we see a Government who are not anti-women but, in fact, relentlessly pro-women, and who are doing all the things that the Labour party failed to do during its 13 years in office. Let me say to Labour Members that if they are not satisfied with the position of women in our society today, they have only themselves to blame.

On the issue of women as on so many other issues, it is the two parties in the coalition Government who are taking action and making progress. When an Opposition Member gets to their feet and levels with the House and the country about where precisely they would make some cuts, they might begin to have some credibility.

Mr Tom Watson (West Bromwich East) (Lab): It is only a tiny little budget, but it appears to be the only one that has not been cut at all: the grant for the Prime Minister's second kitchen.

Mrs Mensch: I am very fond of the hon. Gentleman, as he knows, and we have great fun serving together on the Culture, Media and Sport Committee, so I will go easy on him by saying that I will take that intervention in the light-hearted spirit in which it was intended, because the country is in a very serious state, and the state women are in is very serious too. The fact that we have to make these cuts is a serious matter, and it does affect women, yet all we hear from Opposition Members is excuses and all we see is blank paper; there is no admission that they would cut too, and no notion of where they would cut.

In conclusion, how unutterably strange it was to hear a good portion of the opening speech of the right hon. Member for Normanton, Pontefract and Castleford and of the contribution of the hon. Member for Stretford and Urmston (Kate Green)—who is no longer in her place—spent trying to defend the payment of child benefit to prosperous women such as me. If that is what they have got to say to the women of this country, it is frankly no wonder that they are sitting on the Opposition Benches rather than the Government Benches. It is this Government who are committed to women; it is this Government who are making progress for women; it is this Government who are committed to tackling the deficit and at the same time protecting women and the most vulnerable. The Opposition have nothing to say, and I am sure their motion will be defeated in the resounding manner that it deserves.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Before I call the next speaker, who will be Jonathan Ashworth, may I remind Members that his will be a maiden speech?

2.42 pm

Jon Ashworth (Leicester South) (Lab): Thank you, Mr Deputy Speaker. It is a tremendous privilege, and perhaps a little daunting, to have this opportunity to speak in the Chamber for the first time, not least because this is a debate on women and Government policy, and I do hope that I do not turn out to be the token male in the debate—although as a father of a two-week-old baby girl, and as someone who has just returned from paternity leave, I feel slightly more confident about speaking in it than I might have done a fortnight ago.

As is the custom, I start by paying tribute to my immediate predecessor, Sir Peter Soulsby, who stood down from Parliament to contest the election for Leicester's first directly elected mayor—which, indeed, he won. Sir Peter was much admired in the House for his independence and integrity, and although I make no criticism of those who remain in this House while seeking election to other bodies, it is testament to Peter's devotion and commitment to the city of Leicester that he resigned his seat before seeking election as Leicester's mayor, not after. I am sure that Members on both sides of the House will wish him well—and look on enviously at his 37,000 majority. I look forward to working closely with Sir Peter in the years ahead.

I also want to say a few words about Parmjit Gill and the late Jim Marshall. Parmjit Gill served briefly as Member of Parliament for Leicester South. He was also very briefly my opponent in the recent by-election. I and many others were sorry when he withdrew as a candidate, as he is respected across the constituency, but I know he has a young family and I wish him well for the future. I never knew Jim Marshall, but throughout the by-election campaign I met many who did. Jim served Leicester South for nearly 25 years in total, with an unfortunate four-year break thanks to the will of the electorate. Many still speak warmly of Jim's compassion and commitment to social justice. He is hugely missed across Leicester South.

I am privileged to represent a constituency of huge diversity, vibrancy and tolerance, and while we must never be complacent, our communities generally live harmoniously together. We are part of a city renowned across the world for welcoming incomers. Families have come from across the globe to make their home in

Leicester South, such as our Asian communities from Gujarat, Punjab, Pakistan, east Africa and Bangladesh, as well as our Caribbean community, our communities from Somalia and, most recently, those from elsewhere in Africa, the middle east and eastern Europe. Our diversity enriches our cultural, social and civic life, and contributes immensely to our economy, too.

For many of my constituents, faith is important. A sightseer on a tour through Leicester South would no doubt visit our cathedral and beautiful churches, numerous mosques, gurdwaras, Hindu temples, synagogues, and the Jain temple. We are all proud that all our faith groups promote mutual understanding and solidarity, focusing on what unites us, not on what divides us. There can be no greater example of this than what happened when the English Defence League came to Leicester last October in an attempt to stir up hatred and division. The people of Leicester—all faiths, all cultures and all backgrounds—united in rejecting the EDL and what it stands for. Our community leaders, our city council leadership, the police and, most importantly, the people of Leicester should be commended for what we have achieved in Leicester. Although my right hon. Friend the Member for Leicester East (Keith Vaz) is not in his place, I also want to pay tribute to him for his outstanding contributions on these matters over many years. As the Member for Leicester South, I will play my part in celebrating our diversity and promoting mutual understanding in the years ahead as well.

Many people from across the world and the UK come to study at our two great universities—Leicester and De Montfort—both of which are situated in Leicester South. Our universities help to make Leicester the dynamic city it is today, while our student population is considered so significant that just over 12 months ago the Deputy Prime Minister visited the campus of De Montfort university to make a certain pledge on tuition fees, to much student acclaim. My by-election campaign was boosted by no less than three visits from the Deputy Prime Minister, but on each occasion he seemed somewhat reluctant to return to the campus he visited a year ago; I can't think why.

My constituents rightly take the NHS very seriously. Many of them hope that the Prime Minister will drop his proposed changes to the NHS, and are deeply worried about his "top-down reorganisation". Although Glenfield hospital is in Leicester West, many of my constituents have told me how strongly they feel that the children's heart surgery unit at Glenfield should remain open, and I agree with them. My hon. Friend the Member for Leicester West (Liz Kendall) has, along with the *Leicester Mercury*, been at the forefront of the campaign to keep the unit open, and today I want to make clear my support for that campaign and assure my constituents that, alongside my hon. Friend, I will do all I can, locally and nationally, to back efforts to maintain the children's heart surgery unit at Glenfield.

My constituency boasts much cultural and sporting heritage. The '60s playwright Joe Orton grew up on the Saffron Lane estate, and I believe that the singer Engelbert Humperdinck—the legend who made the song "Quando, quando, quando" so popular—grew up in Leicester South too. As a sports fan, I am lucky that my constituency contains the grounds of Leicester City football club, Leicestershire cricket club and Leicester Tigers rugby union club. I look forward to visiting them all regularly in the future—on constituency business of course—although I hope Tigers fans will not hold it against me that I was brought up a Salford rugby league fan; I know you will approve of that, Mr Deputy Speaker.

Although there is much to celebrate and we are proud of our achievements, many families are, as I heard in the by-election campaign, uncertain about the future. My constituents—and women in particular—are feeling the brunt of the coalition's fiscal policies. As my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) so eloquently outlined in her opening remarks, many women are feeling the effects of the tax credit changes. In the by-election campaign I met a family living off Aylestone road who are feeling the squeeze thanks to a VAT increase, rising inflation and tax credit changes, and who are now worried about their jobs as well. They told me they were "doing just nicely" until this Conservative-Liberal Government came along.

We have many Sure Start centres in the constituency. Thankfully, because of our Labour council, they are being saved, but as my hon. Friend the Member for Leicester West outlined in an earlier contribution, the Government are cutting the early intervention grant. I heard many heart-breaking stories from younger people—many of them young women—from poorer backgrounds who are doing well at school but now think university is not for them. Many of my constituents hope that the Government will think again and introduce a fairer and more equitable way of funding higher education.

Our jobless rate is too high; it is the highest in Leicester. Traditionally, Leicester has had a good record in employing women, but with the public sector cuts set to hit us, many women in my constituency face a precarious future. Tackling our unemployment problem will require the Government to implement a strategy for growth, with investment in skills, training and work-readiness schemes. I especially hope the Government will reconsider the cuts in ESOL—English for speakers of other languages—which will have a detrimental effect on the ability of many of my constituents, particularly women, to move into work.

Pockets of my constituency too often show up in annual surveys of high deprivation. Poverty and lack of opportunity too often blight lives in St Matthew's and parts of Highfields, Spinney, Saffron Lane and Eyres Monsell. Many of those will be women. It is a matter of great shame that in Leicester we have one of the highest levels of child poverty in the UK. With the changes to the tax and benefits system that have already been discussed, I fear things will get worse. Pushing for measures to tackle child poverty in Leicester will be a priority of mine, as I know it is for my right hon. Friend the Member for Leicester East and my hon. Friend the Member for Leicester West, as well as our mayor, Peter Soulsby, and his able deputy Rory Palmer.

However, the people of Leicester South, whether living on those estates or living elsewhere—in Aylestone, Knighton, Stoneygate or Castle—are a proud people. We are at our strongest when we are united in supporting one another, and we are proud that we can boast of countless voluntary organisations that do just that—the Sharma women's centre, the Pakistan Youth and Community Association and the Bangladesh Youth & Cultural Shomiti, to name just a few—or when we celebrate together, whether at a religious festival or a

[Jon Ashworth]

community event such as the one held this past weekend, celebrating national family week, at Eyres Monsell's "picnic on the park".

I come to this House from a modest background. My mother and father, when they had work, were employed in low-income jobs—they might be described as the modern working class—but I was lucky in life. I did well at my comprehensive school and I am the only one in my family ever to have made it to university. Before I was elected to this House I worked within it for a previous Prime Minister and for the current Leader of the Opposition. I also worked briefly for my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman)—which perhaps explains why I chose to speak in this debate.

I am honoured to have been elected as the Member for Leicester South. I will dedicate myself to representing all my constituents, to fighting for those across Leicester South whose voices too often go unheard, and to playing my part in articulating the concerns and aspirations of those in my constituency, many of them women, who know that there can be and must be a better way.

2.52 pm

Claire Perry (Devizes) (Con): May I start by saying what a pleasure it is to follow the maiden speech of the hon. Member for Leicester South (Jon Ashworth)? He demonstrates, as in so many cases, that often there is a lot more that joins us than divides us in this House. He spoke about his constituency, and defended it, with great passion—and I have heard almost every Member of this House do the same thing in terms of their own constituencies. The hon. Gentleman might also be interested to know that we share more than that. My family hails from 19 Narborough road south, my nephew is studying at De Montfort university, and I remember many a trip to Leicester market to buy vegetables—from Gary Lineker's parents—and eat Eric's ice creams. I therefore suspect that the hon. Gentleman and I will have a lot to talk about in the Members bars over the years to come.

I was enjoying the hon. Gentleman's speech—until the point where it got rather political. We Government Members were sitting on our hands in order not to contravene the policy of not intervening on maiden speeches. But when I heard him say that his former employer was the right hon. and learned Member for Camberwell and Peckham (Ms Harman), all became clear, and I understood why he could not help himself. However, it is an absolute pleasure to follow the hon. Gentleman.

I want to ask the question: why are we here today? It seems from what we have heard from Labour Members that we are here to listen to a bandwagon. All we have heard from them so far is a desperate and disparate series of criticisms of individual policies, in an attempt to create a fictional narrative about this Government targeting women and those who need help most in society. It is a fictional construct that I reject entirely, as I think every Government Member does.

There is also a flagrant disregard for the mistakes and missteps that the Labour Government made in 13 years. We heard a tiny apology from the shadow Home Secretary for the 10p tax rate fiasco, which caused so many people on low incomes, particularly women, such incredible hardship.

Mr Edward Timpson (Crewe and Nantwich) (Con): It was a disaster.

Claire Perry: It was a disaster, and was recognised as such. However, we have not heard much about the hollowing out over the previous 13 years of the health visitor profession. The health visitor is often the only point of contact that a young mother, particularly one from a disadvantaged community, will have with the medical profession. Health visitors are the most trusted people involved with pregnant women's and young children's lives, yet that profession was hollowed out and almost entirely disregarded. Indeed, its professional status was completely downgraded by Labour.

We have not heard anything about the complex, byzantine welfare system that was built up over 13 years—a welfare system that now costs every family in this country £3,000 a year. Yet in my constituency, it appears to trap people on welfare—particularly single mothers who would love to get back into the work force—and trap them in poverty.

Sheila Gilmore (Edinburgh East) (Lab): Does the hon. Lady not accept that it was in fact Labour's policies that got 350,000 single parents back into employment? Yes, before that we had a very bad record compared with other European countries—I fully endorse that point—but it was Labour's polices that made inroads into that.

Claire Perry: I agree with the hon. Lady, who I know has campaigned on this issue for years, that some progress was made, but it was not enough. The welfare system is incredibly complicated and provides huge disincentives to work. Yes, women were helped back into the work force, and the hon. Lady and I both completely support that. However, we hear time and again about women who do not know if it is even worth their while to work—who cannot work out, given the complexities of part-time and voluntary working, whether they should even look for child care for their daughter or son in order to go to work. It is simply an expensive mess that has not helped the women and men across this country in the way that it should.

Helen Goodman: Will the hon. Lady temper her rhetoric just a tiny bit and recall that every person who goes to a jobcentre gets a "better off in work" calculation to inform them by how much they will be better off, and what their other entitlements are?

Claire Perry: I would be interested to know whether the hon. Lady has actually gone through a "better off" job calculation, as I have. It is one of the most complicated, ridiculous pieces of analysis I have ever seen. In many cases, the jobcentre advisers simply say, "We actually don't know." It can take 45 minutes to make a "better off" calculation, and if someone's circumstances change by one or two hours a week, they have to go back to the starting point. If the hon. Lady is suggesting that the "better off in work" calculation is something to be proud of after 13 years in government, may I suggest that she fundamentally misunderstands what we need to do to get men and women back into work? In fact, the work that the Secretary of State for Work and Pensions is doing will massively reform the system.

George Hollingbery (Meon Valley) (Con): Does my hon. Friend agree that the adoption of the universal credit and its 65% taper means that people can now be absolutely certain that they will be better off in taking on more work, particularly on the other side of the current 16-hour barrier, beyond which so many benefits drop away?

Claire Perry: I thank my hon. Friend for that intervention. As a mother of young children, I cannot emphasise enough how difficult it can often be for women to take those steps—to think about child care for their family if they are not sure that it makes sense financially. As he says, there will be far more certainty under the system that we are proposing.

We are here today, therefore, because of a mass outbreak of bandwagonism on the Labour Benches. We are also here because of a heavy dose of hypocrisy. As I think most Labour Members acknowledge, the Labour Government would have had to make £7 of spending cuts for every £8 of cuts that we are making this year. Are they telling us that they would somehow have ring-fenced those spending reductions, or made them in a different way?

Harriett Baldwin *rose—*

Emma Reynolds *rose—*

Claire Perry: If they are, we are all ears. *[Interruption.]* Tell us! The only thing we have heard is that they would restore child benefit for families with a median income of £75,000 a year. I do not think that that is fair or progressive; nor do hard-pressed working women and women on benefits in my constituency. They think it is outrageous—and that is the only Opposition policy we have heard today that would deviate from what the present Government are doing.

I shall give way first to my hon. Friend the Member for West Worcestershire (Harriett Baldwin), and then to the hon. Member for Wolverhampton North East (Emma Reynolds).

Harriett Baldwin: I thank my hon. Friend for giving way. I was going to make exactly that point: we have heard today that for someone like me who is making £65,000 a year, it is Labour party policy to restore my child benefit after 2013.

Claire Perry: My hon. Friend is right. Moreover, despite the state of the public finances—for every £4 we spend, £1 is borrowed—Labour would like to borrow that money from other countries in order to restore my hon. Friend's child benefit, thereby putting that debt round the necks of all of our children and grandchildren. How can that be a rational policy? It is sheer, rank hypocrisy—and on that point I will happily give way to the hon. Member for Wolverhampton North East.

Emma Reynolds: I thank the hon. Lady for such a kind introduction. The Government plan to fund the deficit reduction through a proportion of 20% tax rises and 80% spending cuts, whereas our plans are for 60% to come from tax rises and 40% from spending cuts. Does she accept that because women earn less and own less, the spending cuts being introduced by her Government hit women much harder than ours would have done?

Claire Perry: It would be helpful if we understood a little more about what the hon. Lady's spending reductions would be. Only the shadow Chancellor and the shadow Chancellor's wife think that Labour's economic policies are correct. Everyone else, including the International Monetary Fund, the CBI and the OECD, thinks that what the Government are doing is the way to restore the health and credibility of the British economy.

Several hon. Members *rose—*

Claire Perry: I wish to make a little more progress, and then I will be happy to give way.

We are hearing a lot of hypocrisy about spending cuts and about pension ages. Let us not forget that the Labour party commissioned the Turner review, which recommended a rise in the state pension age for men and women, and pointed out that the disproportionate longevity figures for men and women meant that the age for women had to rise more quickly. We must ask whether there is an alternative proposal. Does something need to happen about state pensions? We would love to hear Labour's plans, but we never do.

The Labour party also missed more than 50% of its own equality targets. We know that the Labour party loves targets, but we do not hear very much about the fact that it missed 50% of its targets in this important area. We have also not heard much from Labour Members about Sure Start. I love Sure Start, and I am incredibly proud of the three Sure Start centres in my constituency. They are doing incredibly good work, particularly in places such as Tidworth, an area to which dozens of soldiers and soldiers' wives come. The centre provides a real lifeline there. We have just opened the Sure Start centre in Pewsey, and thanks to the financial management skills of Wiltshire council it will remain open and funded.

Barbara Keeley (Worsley and Eccles South) (Lab): Can the hon. Lady, or any of her colleagues who wish to contribute, tell us why previous Conservative Governments never introduced anything like Sure Start? Sure Start is an amazing achievement of the Labour Government, and she should bear that in mind.

Claire Perry: One might just take the hon. Lady's intervention back a little. Sure Start was invented in the United States in the early 1990s, where it was targeted, as she knows, at the children who needed it most, and it was a great success. If I had been in Parliament when Sure Start was introduced I would have supported it in its early incarnation. It is a very sound idea, but of course it had to grow from something that was very useful when targeted to something that became a universal political point.

Let us hear what happened. In 2010 the National Audit Office found that

"there was no reduction in inequality between child development achieved in the 30% most disadvantaged communities and in the rest of England, against a target to reduce the gap by four percentage points".

We must remind ourselves that Sure Start was introduced to intervene in the lives of the most vulnerable and needy children and families, and that that target was completely missed. Did any discussion take place about how to target Sure Start better? Was there any acknowledgement that one of the huge issues related to

[Claire Perry]

the lack of trust going out and reaching in to the most disadvantaged communities? We know that more than half of the Sure Start centres were failing to reach out to vulnerable families. What should people do in those circumstances? Should they think about how to change that, or should they keep spending and criticise a Government who want to target the money better? The 4,700 extra health visitors jobs—almost 5,000 of them, which will largely be filled by women—represent the way to get from the Sure Start centre out into the community and really help the most disadvantaged children, who absolutely need that intervention. That is what we are planning to do, but we hear no support for it. Again, that is because of the rank hypocrisy that we are hearing from Labour Members today.

The other thing we are hearing today is that the Government have no policies in the area of equality. This is a House of very intelligent people—I keep saying that so it has to be true. There are Members in all parts of the House who work on a cross-party basis on unbelievably important issues, be it child protection or trying to stop the pernicious influence of pornography on the lives of our families. We should be working together on how to make Sure Start centres more effective —on what we can actually do to make a difference—instead of getting involved in this bandwagonism. I find it incredibly demeaning for the House to be participating in that.

We are dealing here with unbelievable hypocrisy, given that it is coming from a party that maxed out on the nation's credit card. Its approach means that we are spending 39 times the annual operating budget of Sure Start on servicing Labour's debts. That is the legacy that we are having to deal with. Do we hear any innovative or sensible suggestions about how to deal with it? No, we do not.

We have a benefits system has been created to trap many women in the sorts of poverty from which we would all want them to get out. We know that the benefits system is costing everyone £3,000 a year, but do we get any positive recognition and support for our welfare reform policies and the universal credit that we are proposing? I do not think so. Let us put aside this bandwagonism and hypocrisy, and let us talk about what this coalition Government are actually doing.

First—this is obviously the elephant in the room—the Government are taking action to pay off the previous Government's crippling debts, which did not pop up overnight as a result of the credit crunch. The Labour Government spent more than they took in taxes every year from 2002, wishfully thinking that post-endogenous growth theory—I went to Nailsea comprehensive school and do not have a clue what that means—would somehow bring us out of the mess. Well, guess what: it does not. A Government have to live within their means if they are not to burden our children with debts, as the profligacy of the Labour Government did. This Government will live within their means. We are making the spending reductions that the Labour party left us with in a way that focuses the scarce resources on those who need them most.

We are facing a public sector pay freeze, and that is tough. Some 35% of the employment based in my constituency is in the public sector, so Members should not think that I do not get a lot of letters about that. However, I also hear from the women, many of whom work part time, who are grateful to be excluded from the pay freeze because they are low earners. They recognise that in these scarce times things have to change, but they think that it is important that the pay freeze excluded the lowest paid, and so do I. The Government have also taken 880,000 people out of taxation completely and definitively with a one-off move—it was not the fiasco of the 10p tax rate—and that benefits lower-income women and families in this country hugely.

We have heard a lot from Labour Members about child tax credits—I am confused, because I thought that the Government were raising child tax credits in absolute terms and ahead of indexation for the most disadvantaged families, who need them the most. I believe that that benefits 4 million of this country's poorest families. We are examining Sure Start centres, ring-fencing the funding and investing in 5,000 additional health visitors, who can stop Sure Start centres being a nice thing thrown on the wall and make them work.

Glenda Jackson (Hampstead and Kilburn) (Lab): Can the hon. Lady tell me which Sure Start centres have their finances ring-fenced?

Claire Perry: As the hon. Lady knows, it is for the local authority to decide what it does. I do not know what her local authority is doing, but in Wiltshire not one Sure Start centre is closing and funding is being maintained completely. I might submit that political machinations further down the system are leading to these changes, but the funding and the additional investment is certainly there. If her local Sure Start centres would like to operate better and have some additional health visitor investment, that money is also there.

We have also heard about a Government who are protecting NHS spending. We know that in general women consume more NHS resources, and that money is being protected. International development spending, which I particularly support and about which we heard so eloquently from those on both sides of the House during the international women's day debate, is also being ring-fenced. It is my belief that investing in schools for women in Pakistan is a sensible thing to do locally and it will increase overall economic security and prosperity. Having a women-focused aid policy, as we have, is the right thing to do.

We have heard about the universal credit, which will bring 1 million people, including 350,000 children, out of poverty. We have also heard about the sustainable funding for the rape crisis centres. I have been involved in some of the discussions that have taken place on rape, sentencing and tariffs and the policy person from the head of the UK rape crisis centres says, "This is the first time we have had sustainable funding for our centres for as long as we can remember, and we absolutely support this."

Dr Sarah Wollaston (Totnes) (Con): Does my hon. Friend welcome the fact that over the next three years nearly £250,000 will be put into developing a rape crisis centre in Exeter, serving the women of Devon, who have been disgracefully under-resourced over the past 10 years?

Claire Perry: My hon. Friend makes an excellent point. Of course, under the previous Government nine out of 10 local authorities did not have a rape crisis centre. At a time of significant fiscal constraint, we are managing to find new money to invest in that incredibly important area and I thank her for her intervention.

Finally, as regards an area on which many of us in this House have campaigned together, the Government are taking active steps to deal with the oncoming tide of sexualisation and the commercialisation of childhood, whether by getting retailers to act in a responsible way or by getting internet service companies to consider a system that allows us not to have pornography piped into our homes and makes getting it a choice. Work is happening under this Government that I applaud.

This is a bit of a depressing debate to be involved in. Many Members share many of the same aspirations and campaign on important issues, but all we have is the bandwagonism and hypocrisy of the Labour party. What I have enjoyed most in this debate has been listening to Ministers who have told how we are focusing scarce money on those who need it now while taking steps so that the profligacy of the previous Labour Government does not leave our children and our grandchildren with debts to pay off.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Before I call the next speaker, let me tell hon. Members that we have six speakers to come and the winding up will speeches start at 3.55 pm. Can Members bear that in mind?

3.11 pm

Barbara Keeley (Worsley and Eccles South) (Lab): I pay tribute to the maiden speech of my hon. Friend the Member for Leicester South (Jon Ashworth). He was passionate about his constituency and warm in his praise of his predecessors and colleagues in the city. May I thank him for his support for Salford Reds? Among the many football and rugby clubs in his constituency that he could have talked about, he still remembered Salford Reds. I hope that he will enjoy visiting the clubs he mentioned in his own constituency and he will always be welcome in my constituency, where the new Salford Reds stadium is fast taking shape. Each week when I go back there is more of it. He is very welcome to come back to Salford.

On a more serious point, let me refer to a letter from a constituent affected by the pension age change. My constituent wrote:

"Recently I applied for a pension forecast and found that I will not receive any pension payment until I am 64. I am worried and appalled. I have worked full time since leaving school, progressed my nursing career so I could remain employable and reared 2 children. I do not drink or smoke and I have paid for our children's university fees so that they could enter 'the big society' with something to offer, ensuring their employability. I have not been given any time to plan for receiving my pension at 64. Successive governments have encouraged people to save for their retirement which I have done with the view of retiring at 60. I cannot stress strongly enough how I feel let down by people who are supposedly managing our country. I will certainly join in a campaign opposing this".

She also said:

"How can I stop this happening? It is unfair and penalises all those people who are loyal and hard working."

Women such as my constituent are worried and appalled and it is time that Ministers listened to them.

Harriett Baldwin: Is the hon. Lady talking about a constituent whose retirement age is rising to 64? Is that not a policy that her Government brought in?

Barbara Keeley: I did not intend to touch on that, but wanted to take the opportunity to read out my constituent's comments so that Ministers understand the worry and concern.

I want to focus more on women and jobs and social care. I share the concerns expressed by many organisations and individuals about the disproportionate and unfair impact of the Government's policies on women. As we know, women make up 60% of the public sector work force. Nationally, 40% of women's jobs are in the public sector compared with 15% of men's jobs. In my constituency, women's jobs in the public sector are in local government and the NHS—in the primary care trust and in local hospitals. Local councils are now having to manage the swingeing front-loaded budget cuts made by this Government and thousands of jobs are being lost. Salford council, my old council, will have to cut 500 jobs this year. Wigan council will lose more than 800 jobs and Manchester council 2,000. All the interventions made by Government Members have not made much mention of those swingeing front-loaded cuts to council budgets, but they are very important and they are affecting things.

George Hollingbery: Will the hon. Lady illuminate the House with how many of the job cuts to the various councils she identified are redundancies or post eliminations rather than straightforward compulsory redundancies? Can she tell us about the profile of those people? Are they at the top, middle or bottom level of the organisations?

Barbara Keeley: It hardly matters, I think. We are talking about three or four years of cuts and this year's cuts will be followed by similar cuts next year and the year after. I am surprised that Government Members can look with such equanimity at something such as the 2,000 job cuts that are happening in Manchester.

The hon. Member for Devizes (Claire Perry) talked about protecting the NHS, but in reality hundreds of jobs are being lost in the NHS, as they are in local councils. Jobs are being lost through the abolition of our primary care trust in Salford and that change is also causing turmoil to local services and decision making. At Salford Royal hospital, 720 jobs are being cut, including those of 146 nurses. The Christie, our regional county hospital, is to reduce its staffing by 213—one in 10 of the current work force—including 40 nurse-grade jobs and 50 health care support or assistant jobs. I am sure that none of us would look with equanimity at that level of job loss.

Jane Ellison (Battersea) (Con): Does the hon. Lady not accept that her own party did not campaign on the basis of ring-fencing or protecting the health budget? Does she not accept that it is highly likely that the situation would be far worse had her party been elected?

Barbara Keeley: No, I do not accept that. The turmoil that has been caused by the unnecessary top-down reorganisation, as well as the £3 billion cost of that reorganisation, is not helping.

[Barbara Keeley]

Finally, and close to home in my constituency, Royal Bolton hospital is losing 60 posts, including 32 nurses, with 92 jobs going next year and 95 the year after. At Wrightington, Wigan and Leigh hospital, 533 jobs are going—a 13% reduction. These are the jobs and careers of my constituents, and women's jobs are disproportionately affected because all those organisations employ significantly more women than men.

In recent months, there has been quite a focus on women's jobs that are being lost, but the cuts also mean the loss of services that women use more than men. Women, as we know, are more likely to use libraries and health services and they need support from social care for family members and themselves as carers. Women will carry a disproportionate burden of the spending cuts that are affecting social care services as 58% of carers are women, and of those carers who combine caring with part-time work, 89% are women.

Next week is carers' week, which has great support across the House, and the theme will be the true face of carers. Carers are being asked to talk about the reality of their lives as carers—how hard they can find it to be a carer and what could really make a difference to their lives. A report by the Care and Support Alliance in March showed that levels of unmet need were increasing even before the cuts to local council budgets. That is a great cause for concern. In the alliance's survey of 1,000 people, nearly seven out of 10 respondents felt that they needed more support, more than two in 10 said that services had been cut back even though needs might have been increasing, and more than two in 10 said that the person cared for needed support but was not receiving any services.

That is not surprising, given that councils have been cutting their eligibility criteria for social care for some time, increasing charges for services and removing caps on charges. I am proud of the fact that, despite the swingeing 27% cuts to council budgets at Labour-run Salford city council, it has managed to retain eligibility criteria for social care at a level to help people with moderate needs as well as those with substantial or critical needs. Salford is now one of only 15% of councils that provide that level of care. That is in great contrast to councils such as coalition-run Birmingham city council, which recently tried to set its eligibility criteria to a new level of "personal critical". More than 10,000 people would have seen their care packages downgraded and more than 4,000 people would have had no care services or support whatever.

My hon. Friend the Member for Birmingham, Erdington (Jack Dromey) reported the distress of constituents who came to him for assistance: people who were extremely vulnerable themselves or caring for someone who was elderly, ill or disabled. Women carers were disproportionately included. The Care and Support Alliance survey revealed that changes to services that happened even before the cuts had led to

"a negative impact to the person with care and support needs."

The report quotes one female carer talking about the impact on her life. She said:

"I am unable to go out with my husband because one of us needs to remain at home with my mother. Unable to go out with my sister (also disabled) because if I go out she needs to stay home to support my husband in caring for our mother. Unable to visit friends, have a weekend away or take a holiday. Feel abandoned by the state—Carer's Allowance withdrawn when I reached 60 last year, Carer's grant reduced by Local Authority from £400 pa to £100 pa this year, top-up fees now payable for the 3 hour respite per week, no extra help available."

Of course, such extra stresses also put further pressure on the health of many women who care. Another female carer is quoted in the Care and Support Alliance report as saying:

"I care for two and I am disabled myself. Although they have increased the care for my father, he still needs extra care from me. I get no help with my husband, who is also becoming more demanding and no help for myself. So my life gets harder and harder and my health is deteriorating as a consequence."

Women who are carers are also worried about the Government's plans to cut £1 billion from disability living allowance over five years by reducing the number of people who are eligible. Tightening the eligibility criteria for DLA will mean that many carers will not be eligible for carer's allowance, which will be available only for those who look after someone who is in receipt of the middle or higher level of DLA. As three quarters of the recipients of carer's allowance are women, that is yet another area in which women will bear the brunt of the cuts.

Carers UK has estimated that seven out of 10 women will be carers in their lifetime. We know that social care services for older people are underfunded and that the number of over-80s is increasing, so the pressure on family carers, who are mainly women, is bound to increase. Once again, women will be disproportionately affected.

Women are more reliant on the services that the public sector provides and therefore stand to lose more from cuts to services and from the loss of jobs that I have talked about. That affects my constituents and women who are carers. I have campaigned since I have been in the House to improve services and support for carers, six out 10 of whom are women. More could always be done, but Labour gave primary care trusts extra budgets to fund respite care, introduced the carers grant and provided £770 million in new funding for disabled children.

Claire Perry: Let me pay tribute to the hon. Lady's work in this area, which many of us recognise. Surely she will welcome the £800 million commitment that the Government announced last year to provide really important respite care for parents with disabled children.

Barbara Keeley: Of course, every move to provide extra respite care to help carers is beneficial, and all those moves were started by the previous Government in support of the Every Disabled Child Matters campaign. As I said earlier, there has been very little mention of the fact that the swingeing cuts to council budgets cancel out everything else being done. Perhaps that is not the case in places such as Wiltshire, but it certainly is the case in the north of England.

Finally, let me mention some things that were going to happen but will not now happen.

Claire Perry: Will the hon. Lady give way on that point?

Barbara Keeley: I am just about to finish.

The Government have abolished the measures in the Personal Care at Home Act 2010, which would have helped 400,000 of the people in the greatest need, and they have cut the budgets to local councils, as I have mentioned, which will potentially have a great impact. Those changes come at a time when we know that more services are needed given the horrendous cases we have heard about in recent months. It is time to develop unanimity across the House. I know that many hon. Members on the Government side are concerned about social care, but the impact of the changes that I have mentioned will cause a loss of quality of life for carers, as I have outlined.

3.23 pm

Lorely Burt (Solihull) (LD): Let me begin by adding to those of others my congratulations to the hon. Member for Leicester South (Jon Ashworth). I can see that he is no token man, as I know that he has a two-week old baby and I can see the shadows under his eyes from here. I welcome his comments celebrating the cultural diversity of his constituency. Clearly, he is going to be a great advocate for Leicester South.

I think that the previous Labour Government and this coalition Government have a lot in common. We both want to redress the imbalances between men and women through public policy. It is fair to say that Labour did many things that benefited women, such as increasing the maximum age for children at which parents could apply for flexible working. That change followed a very similar private Member's Bill that I had introduced the year before, which would have extended the right of request to the parents of children up to the age of 18. My Bill was unceremoniously voted down by Labour, which then reintroduced the measures in a form that applied to the parents of children up to the age of 16. I do not mind the previous Government's doing that: they saw a good idea and grabbed it. Indeed, I think we should all work together more to pool our best ideas, particularly in the current, grave economic circumstances. That might be too radical a notion for this debate and this Parliament given the way things have been going so far but it is an aspiration of mine. I am very glad that this Government are consulting on extending the right to request for all employees. That will remove the stigma when some staff have a right that is denied to others. It will also acknowledge the fact that employees are more loyal and productive when there is an acknowledgement that they should be able to have a reasonable work-life balance.

Another thing that Labour did that particularly benefited women was allowing any years they spent caring for others to count towards pension entitlements in future. Why the Labour Government never restored the earnings link during their 13 years is beyond me. Why would they not have done that if they believed that the economy was strong, not knowing that the so-called growth was based on a house of cards and unsustainable debt? How much more difficult has it been for us, while we are trying to deal with the biggest deficit in peacetime history, to redress some of those injustices at the same time? We put our actions where our mouth was and immediately committed to restoring the earnings link with the triple guarantee. A much fairer and better pensions system that will raise the level of a single person's pension to £140 in today's money will be introduced by the Minister of State, Department for Work and Pensions, my hon. Friend the Member for Thornbury and Yate (Steve Webb), who has responsibility for pensions. That system will help the poorest pensioners more than anything that was introduced by the previous Government. Of course, the poorest pensioners are mostly women. Two thirds of people on pension credit are women and the average woman receives £40 less per week in her state pension compared with men. Even with the changes brought in by Labour, it would have been 2050 before pensions were equalised between the sexes.

Something else that will greatly help is the move to the universal credit system of benefits, which has been mentioned by several hon. Members, rather than the complex system that we currently use. That change will mean that work always pays and will encourage people to return to work rather than stay at home on benefits because that is more financially beneficial.

Sheila Gilmore: But surely even in the Government's projections and the impact assessments of the Welfare Reform Bill, it would be an exaggeration to say that work will always pay, particularly for those people who have child care costs.

Lorely Burt: The Government are investing more than £3 billion in this, but every single factor cannot be taken into account in determining whether the outcome will be better or not. The Government are looking into what we can do about child care costs. The hon. Lady raises an important issue, which I know is being taken very seriously by my hon. Friends on the Front Bench.

Under the proposed system, 31% of women who are entitled to benefits will be better off than they are at the moment. In addition, women returning to work after having children will be able to build up their hours gradually without being unfairly penalised by the system. It will also help take-up. In 2008-09 only 80% of people took up child tax credits. There has been much discussion about that today. I hope that changing to a simpler system will ensure that those who need the money get it.

However, I agree with the sentiments expressed in the motion about the disproportionate effect of the planned increase in the pension age on women born between December 1953 and October 1954. I am delighted to see that the Minister of State, my hon. Friend the Member for Thornbury and Yate, has come into the Chamber. I declare an interest: I am one of those women. Although I expect still to be going like a train at the age of 70, I entirely understand where those women are coming from and the unfairness of imposing change too late for many to do anything about it. I therefore ask my hon. Friend the Pensions Minister to do all he can to ensure that the proposal is reconsidered and a measure introduced that will be a little fairer to that tranche of women.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I am glad the hon. Lady has made that plea to her party colleague, the Pensions Minister. I am sure that many other colleagues will make the same point. Does she agree that women who are upset and worried about the change need a decision soon? It is causing many of them great anxiety and stress, and they cannot be expected to go on for months wondering whether there is to be a change or whether they will have to put up with the unfair increase in their pension age.

Lorely Burt: I agree, and I am sure my hon. Friend the Pensions Minister listened to every word that the hon. Gentleman and I have said.

Let me move on to Sure Start centres. I am amazed that the Opposition have the temerity to accuse us of closing centres, when the centres that have been closed were predominantly in Labour-run council areas. The Government are not cutting Sure Start centres and have made sure that there is enough funding in the early intervention grant to retain a network of Sure Start centres. Not a single Liberal Democrat council has closed a Sure Start centre, and in my own patch, in Solihull, we have extended their remit from the narrow strictures prescribed by Labour.

Barbara Keeley: Does the hon. Lady think there might be a connection with the fact that many Labour councils, particularly in the north, had seen cuts of something like £100 million in their budgets? It is hard to protect any services in that situation, and no services can be left out.

Lorely Burt: Perhaps it is a matter of priorities. Economic inequalities still abound in this country. Despite the good old Equal Opportunities Act now reaching its fifth decade, women working full time still earn, on average, 15.5% less than men. That is not good enough. Raising the tax threshold has helped women, who made up 60% of the 900,000 people lifted out of tax altogether. In the spending review we ensured that the lowest paid public sector workers, 65.5% of whom were women, were protected from the public sector pay freeze, as the hon. Member for Devizes (Claire Perry) mentioned.

The world of work is therefore one area of public policy that we can use to try and level the playing field between men and women, but let us also consider self-employment and women-owned companies. We know that a third more women-owned start-ups fail in the UK than in the US; we know that 20 years ago the US took affirmative action on procurement; and we know that today there are proportionately twice as many women-owned businesses in the US as in the UK. One area where the Government have taken action is in the field of procurement, with reference to small businesses. We aspire to achieve 25% of goods and services procurement for Government Departments from small businesses.

But women-owned businesses are not even on the Government's radar. If we are spending taxpayers' money, should we not know who we are procuring from? If we are measuring how many small businesses we are procuring from, how much more difficult would it be to measure how many women-owned businesses we are procuring from? It makes good business sense to procure from companies run by people who look like those being supplied to. It makes good business sense for boards of directors to have a critical mass of people who think with the left side of their brains, as well as those who think with the right side—I caricature.

We have had the Davies report on women on boards, and I wait with bated breath to see whether companies will respond. The Home Secretary said that the early indicators are positive, but companies had better shape up, otherwise I will be pressing the Government to get tough with boards that think that certain people have a monopoly on innovation, creativity and plain old common sense.

I have already mentioned flexible working. I want to commend the Government for their work on flexible parental leave, for facilitating better solutions for parents and companies in how that leave is taken and for modifications to the working time directive affecting the interaction of annual leave, sick leave and family-friendly leave. It is good news that the latest figures from the Office for National Statistics show that 100,000 more women started work, compared with 18,000 men, so it is not all doom and gloom.

There is probably no single aspect of Government policy that does not affect women in some way. We are short of time so I will refer to only one more point: the suggestion in the media today that we are to rethink the proposal to reduce sentences by half for those who plead guilty to rape charges. I worry about that policy. Of course it is good to have a confession that avoids the added trauma for rape victims of having to testify and be cross-examined, but halving a rapist's sentence just for confessing sticks in my craw. We must consider why only 6% of rape reports result in a conviction. There is no glory for any Government in this respect. We must do better and there has to be some kind of cultural change.

We all want the same thing: a more even playing field for women. The Government are striving to maintain and increase fairness in the most difficult and trying circumstances. I certainly do not think that we have everything right, but with a little good will on all sides we can work together to do this. I will be lobbying my hon. Friends to do the right thing.

Mr Deputy Speaker (Mr Nigel Evans): The winding-up speeches will begin at five minutes to 4 and four Members wish to speak, so they each have a shade under five minutes in which to do so.

3.37 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I pay tribute to my hon. Friend the Member for Leicester South (Jon Ashworth), who is no longer in his place, for making his maiden speech. I will keep my remarks short and so will not take interventions.

Some people may wonder why we are having this debate and considering the impact of the Government's policies on the needs and issues facing women, rather than any other group, and they have a point. When we develop policies, we should consider the differential distribution of their effects on a range of different population groups, not just women, but obviously including them. Importantly, we should look at whether those policies improve the circumstances for those groups and how that might happen, whether by improving their educational and job opportunities, through access to minimum income standards or through opportunities to achieve a healthy life expectancy and so on.

Most importantly, we should look at ensuring that those policies reduce rather than exacerbate the inequalities that persist between different population groups in our society. It is about ensuring that those policies are fair and that our society is fair. On that basis, it is appropriate for us to debate the issues that women increasingly and disproportionately face as a result of the Government's policies. That is the crux of the debate. It is about how the policies are affecting women now. We should not be

harking back to the past. The policies are unfortunately affecting women in an unfair, unjust and even discriminatory way and we must be mindful of that.

We have already heard that, more than 40 years after the Equal Pay Act 1970, women are still more likely to be paid less than men for the same work and to live in low-income households. Although Labour did much to address income inequalities in recent years—there is evidence to prove it—the pay gap between men and women remains, at around 16.4%. We have heard different figures today for the pay gap, but it is even worse for women in high-paid jobs. Women are also more likely to work part-time, and half of all part-time workers, both men and women, are paid less than £8 an hour. One in five women, compared with one in 10 men, earns less than £7 an hour, but whichever low-pay threshold we use, we find that the number of low-paid women is approximately double that of men.

On top of that, Equality and Human Rights Commission research shows that approximately 30,000 women a year lose their jobs as a result of pregnancy. Those income and other inequalities persist for women throughout their lives. Lone mothers and single female pensioners are more likely to be in low-income households than their male equivalents, although the evidence indicates that that situation improved under Labour.

This is an unsatisfactory state of affairs, but unfortunately it has been exacerbated by the policies that this Government have introduced. Despite earning less and owning less, women are set to lose an average of £8.80 a week, compared with £4.20 for men, because of the Government's deficit reduction programme. Reductions in tax credits, benefits, pensions and attendance allowance will all hit women harder, and, as the Institute for Fiscal Studies shows, last year's regressive spending review saw families most detrimentally affected, with lone parents worst affected of all.

This year's Budget did nothing to compensate part-time working mothers, and women pensioners got nothing from the increase in tax allowance. The threat to universal, affordable quality child care, including the removal of ring-fenced funding for Sure Start, is a major hit to women as well as to their children. Child care is probably the biggest issue for women juggling work and family, and similarly the provision to exempt some organisations from the requirement to provide maternity and paternity leave is a retrograde step.

The measure in the Welfare Reform Bill to incentivise separated parents who currently use the Child Support Agency to make private arrangements in the future for child maintenance, and to place financial penalties on them if they do not, is another example whereby support for women is being eroded. Ultimately, support is needed to address the latent discrimination that women face.

Pensions are another crucial area where this Government have penalised women. In the past few weeks, hundreds of women in my constituency have contacted me about the Government's decision last September to accelerate the equalisation of the state pension age for women to 65 years old in 2016 instead of 2020.

The Government also announced an increase in the state pension age for men and women to 66 years old by 2020 instead of 2024. The Library estimates that in my constituency the changes will affect 4,300 women, compared with 3,800 men, with a notional loss of income from state pensions of up to £10,700 for approximately 200 women.

We all agree that women are living longer, and that we need to change the state pension age, but the issue is about the time being taken to do so.

3.42 pm

Harriett Baldwin (West Worcestershire) (Con): The hon. Member for Leicester South (Jon Ashworth) is no longer in his place, but I too pay tribute to him for a very assured and interesting maiden speech. It was a privilege to be in the Chamber to hear it.

I had not planned to speak today until I saw this patronising and paternalistic motion on the Order Paper—this drivel that we have had to debate all afternoon. I am absolutely incensed by it, because the way in which we address the fact, which we all acknowledge, that women earn and own less on average is not by ensuring that they continue to receive a stream of benefits throughout their lives or only state-sponsored child care options.

From some interesting points that Opposition Members made, we learned that at the next general election the right hon. Members for Normanton, Pontefract and Castleford (Yvette Cooper) and for Morley and Outwood (Ed Balls) will stand on a platform of restoring their household's child benefit, which is worth £2,400 a year tax-free, despite their combined income being well into the hundreds of thousands of pounds. That will be a difficult message for them to sell on the doorstep, but it was certainly a fascinating insight into planet deficit-denial on the Opposition Benches.

I also thought that I was living on a different planet when we heard no acknowledgement of the fact that over the past 12 months more than 530,000 jobs in the private sector have been created, with 400,000 more, net of the necessary reductions, in public sector employment. How is it good for families and women to be paying £120 million a day in interest? How is it good for families and women if Opposition Members put their heads in the sand and refuse to identify a single cut or alteration that they support? This Government are introducing welfare reform that will incentivise the economic choices of women in recognising that at the end of the day only additional work will help them to address the earnings gap and the asset gap.

As someone who has fought all my life for greater equality for women in the workplace, I feel somewhat differently about pensions. I think that we should welcome the fact that men and women will be retiring at equal ages and that women and men will be treated equally as regards pensions.

Naomi Long (Belfast East) (Alliance): I agree that the equalisation of pension rights and ages is an important and necessary thing that we should all support. Does the hon. Lady accept, however, that the real crux of the issue for Opposition Members is the amount of time that certain women will have to prepare for the change because the goalposts have been moved so quickly?

Harriett Baldwin: We should bear in mind what these women are preparing for. An average 55-year-old woman today will live to 88, on average, and many more women will live to see their 100th birthday. Having the extra

[Harriett Baldwin]

year to prepare for saving for that very old age is not at all a bad thing. Like my hon. Friend the Member for Solihull (Lorely Burt), I have absolutely no intention of retiring in my early 60s, and I welcome the fact that men and women will be treated equally regarding pension age.

Mark Lazarowicz *rose—*

Harriett Baldwin: I am sorry—I do not have enough time to give way.

I acknowledge that equalising the pension age means that there is a group of women who are disproportionately affected, but I would like to hear proposals on how we could avoid that and still end up in what we all agree is the right place, where we have longer to prepare for a much longer old age.

3.47 pm

Sheila Gilmore (Edinburgh East) (Lab): Some newspapers have an item where they talk about the word of the day or word of the week. For the Government Whips Office, the word is presumably "bandwagon", because expressing opposition is suddenly seen to be jumping on one. I do not think that the Government have necessarily gone about a deliberate policy of targeting women, because I do not believe in conspiracy theories, but some of their policies, when added together, are having precisely that effect. Perhaps people have not realised or noticed.

I want to take a slightly different tack. I will be very brief in the hope that I get other opportunities to amplify these issues, because they are important. What happens to women, in particular, when they separate from a partner in coming out of a relationship? There is a lot of research that says that women in that situation end up worse off anyway, but some things that are happening will exacerbate it. For example, legal aid is going to be taken away from family cases. In my experience as a family lawyer, it is not going to court and getting embroiled in some dramatic procedure, but good, solid legal advice that will get people the kind of financial settlement that enables them to get back on their feet more quickly. If that is not available, they will be financially worse off.

In addition, there are changes to child support that will require people to go through an obstacle race to get it. I urge the Government to remember why the child support system was introduced in the first place—precisely because people were not getting that form of support.

As well as not getting a good financial settlement and not getting easy access to child support, what else is going to go wrong? The big thing that people need when they are separating is housing, because two into one will not go, so what is happening on the housing front? People in the private rented sector who need housing benefit will get less of it. We are not even sure how mortgage costs will be covered under universal credit. The homelessness rules are changing so that more people will end up in the private rented sector. That costs more money, so it is not actually a cost-saving measure. It will also not give people the long-term security that they want. Women who separate from their partners will therefore find themselves in a more difficult position in terms of housing.

Finally, I turn to benefits. Women will have to re-enter the work force at a younger age because the age at which the youngest child will affect their benefit is being reduced to five. There are also changes to tax credits and to the amount of money to cover child care.

If one thinks about the journey that a woman makes from separating from her partner to re-establishing herself in her new life, I contend that the effect of those Government policies will make her much worse off. I am sorry that I do not have time to amplify those points, because I certainly could. I look forward to having another opportunity to do so.

Mr Deputy Speaker (Mr Nigel Evans): I call Mary Macleod, to sit down at five minutes to 4.

3.50 pm

Mary Macleod (Brentford and Isleworth) (Con): I congratulate the hon. Member for Leicester South (Jon Ashworth) on his excellent maiden speech. I commend him for choosing this debate in which to make it. By doing so, he will have kept half his constituents happy. That is a positive thing for any Member.

I will make a few brief points because there is not much time. First, I want to say how disappointed I was at the speech of the shadow Minister for Women and Equalities. All we heard was a rant of negativity about what was not being done, instead of a recognition of the positive things that the Government are doing for women. Labour Members kick-started the work that has been done for women, and I congratulate them on that. I thank the Minister for Women and Equalities, who is in her place, for her positive, inspiring and visionary speech about what the Government are doing to make things better for women, no matter who they are or where they come from.

The shadow Minister for Women and Equalities said that the Prime Minister had a blind spot when it came to women. That is a scandalous comment given that it was the Prime Minister who put his name on the line before the last election to get more women on to the Conservative Benches. The Prime Minister, the Minister for Women and Equalities, the Economic Secretary to the Treasury, who helped to campaign in my seat, and other people all helped to increase the number of women on the Conservative Benches from 18 to 49, and I thank them for that.

I believe that the Government are working hard to support women and families, and to promote equality. We are focusing on giving what we can to the poorest and most vulnerable in society. Of course, the majority of those people are women. We have heard much today about financial support. The key area for me is that the Government are lifting 880,000 of the lowest-paid workers, the majority of whom are women, out of income tax. I look forward to the time when we increase that even further, because these are the people who most need our help.

We have discussed the welfare reforms and the way in which we are trying to incentivise and encourage people to get back into work. My hon. Friend the Member for West Worcestershire (Harriett Baldwin) discussed that matter eloquently. The coalition agreement states that we will look at ways to encourage shared parenting such as flexible parental leave. That is real equality. I have

worked for 20 years in business, and for people such as me, these policies are about bringing real equality into the workplace.

Having women in business is important. My hon. Friend the Member for Solihull (Lorely Burt) spoke about Lord Davies' important report. I was pleased to hear from the Minister for Women and Equalities that progress has been made on that. I will be one of the people who follows this matter closely to ensure that more is done. My hon. Friend the Member for Devizes (Claire Perry) spoke about the new flat pension rate, which will come into effect in 2016. That will take account of the fact that women take career breaks and will ensure that doing so does not affect their pensions, which is very good. We also have to consider women in small businesses, of whom we want more. If we were setting up small businesses at the same rate as men, we would have 150,000 more businesses, so there is much more to be done.

There is a lot of great work on domestic violence, about which we have heard today.

In summary, I believe that the Government have demonstrated their full commitment to women through financial support for families, by helping women in business and by protecting vulnerable women. We have amazing women and fabulous female role models across the country, and the Government will build on what they are doing to create a much stronger, safer, fairer and more equal society for all of us.

Mr Deputy Speaker (Mr Nigel Evans): I am grateful to the last four speakers, who ensured that everybody on the list got in.

3.55 pm

Rachel Reeves (Leeds West) (Lab): This has been a lively and welcome debate, and a rare occasion on which women have outnumbered men in the Chamber. That said, it was a privilege to be here for the maiden speech of my hon. Friend the Member for Leicester South (Jon Ashworth). He will be a tremendous asset to the House, and he is one of my longest-standing friends in politics. I congratulate him on his election, and also on the birth of his daughter. It will be a busy time ahead for him.

My hon. Friend feared that he would be the token male in today's debate, and overall the debate has been sisterly, although when my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) was referred to by the hon. Member for Devizes (Claire Perry) as simply the shadow Chancellor's wife, that was language that one would perhaps have expected more from the Justice Secretary. *[Interruption.]* Members are saying that that is cheap, but I think it was the hon. Lady's comment that was cheap rather than mine.

One thing is clear: whether by ignorance or design, the Government are disproportionately hitting women with their cuts, their pensions policy and what is happening in the jobs market. Until now, every generation of women have enjoyed greater opportunity than their mothers or grandmothers. My great-grandmother was a cockle picker on the south coast of Wales, my grandmother worked in shoe factories and my mother is a primary school teacher. However, that expectation that women of the next generation will do better than those of the one before is now threatened, largely by the choices that the Government are making. They risk turning back the clock on women's equality.

I wish to address some of the specific points that have been made today. My hon. Friends the Members for Oldham East and Saddleworth (Debbie Abrahams), for Newport East (Jessica Morden), for Aberdeen South (Dame Anne Begg), for Wolverhampton North East (Emma Reynolds), for Worsley and Eccles South (Barbara Keeley) and for Edinburgh North and Leith (Mark Lazarowicz) all mentioned the state pension age for women, as did the hon. Members for Solihull (Lorely Burt), for North Wiltshire (Mr Gray) and for Belfast East (Naomi Long). Earlier today, the hon. Member for Mid Dorset and North Poole (Annette Brooke) and my hon. Friend the Member for Glenrothes (Lindsay Roy) challenged the Prime Minister about it.

The changes that the Government plan will mean that women have to wait up to two years longer for their state pension, whereas no man will have to wait more than a year longer. They will mean a loss of income of up to £15,000 for up to 33,000 women, yet the coalition agreement states that the parties agree to

> "hold a review to set the date at which the state pension age starts to rise to 66, although it will not be sooner than...2020 for women."

Yet under plans in the Pensions Bill, the state pension age for women will start to rise to 66 in 2018.

As the hon. Member for Belfast East said, MPs of all parties can show that they understand the fierce concerns and aspirations of women by opposing the Government's proposals to increase the state pension age at such a pace. A petition with more than 10,000 signatures has been presented to the Prime Minister, and Age UK and Saga are calling on the Government to think again. I welcome the chance to hear what the Minister for Equalities has to say about that, and I welcome the fact that the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb), is also in his place. I hope that they will listen to the concerns that women are raising.

As for incomes, either by accident or by design the Government's policies on tax and welfare changes will, as my hon. Friend the Member for Oldham East and Saddleworth mentioned, have twice as much of an impact on women as on men. All incomes are being squeezed during these difficult economic times, but some are being squeezed more than others. That is particularly the case for women and children. Does the Minister for Women and Equalities really believe that it is fair that women are paying the highest price for budget deficit reduction? If not, will she look again at some of the Government's policies?

My hon. Friends the Members for Leicester West (Liz Kendall) and for Worsley and Eccles South spoke passionately about Sure Start and its tremendous work in all our communities. Many mothers and children rely on the services that Sure Start and our children's centres offer, and although the hon. Member for Corby (Mrs Mensch) thinks they are failing families, the women and children I talk to in Leeds West and across the country believe that they are making a massive difference. The Government say that that money is protected, but in reality, particularly in northern cities where there are cuts of up to 27% of total spending, it is not possible to ring-fence that money. I ask the

[Rachel Reeves]

Government to look again at ensuring that vital services such as children's centres and the Sure Start offer are protected.

The latest job figures show that jobseeker's allowance among women is at its highest level since 1996. As my hon. Friend the Member for Stretford and Urmston said, 474,000 women are now claiming it. Those problems are only likely to get worse. Sixty-five per cent. of public sector workers are women, as are 75% of those working in local government. If the Office for Budget Responsibility's predictions of 310,000 job losses in the public sector in this Parliament are correct, we can expect a large proportion of those to be among women, meaning that the highest unemployment among women since 1996 will get worse, not better, in the years ahead.

Jane Ellison: Given that the deficit is in the public finances, and given what the hon. Lady said about the proportion of women who work in the public sector, how would the Labour plan, which we have yet to hear, address that problem?

Rachel Reeves: There are three issues. First, the speed at which we cut the budget deficit; secondly, the timing of the cuts; and thirdly—this is critical to today's debate—whether the cuts are made fairly. I do not believe that it is fair that two thirds of the cuts fall on women. All Members of the House believe that that is unfair. That is the key point.

The cuts to women's pensions, Sure Start, child benefit and local services are not inevitable; they are choices that the Government have made. As hon. Members have reminded us this afternoon, they are unfair choices—they penalise women pensioners, mothers, women students, women carers and women in the labour market. By choosing to cut too far and too fast, the Government have embarked on a slash-and-burn approach to the services, protections and benefits that provide the most support—in good and bad times—to women up and down the country.

The Minister will have a chance to respond shortly, but surely the question is this: where was she when the Chancellor decided to slash child benefit? Where was she when the Secretary of State for Education decided to cut Sure Start?

Harriett Baldwin: Will the hon. Lady confirm that the restoration of tax-free child benefit of £2,400 for the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and the right hon. Member for Morley and Outwood (Ed Balls) will be in the Labour manifesto?

Rachel Reeves: I will perhaps ask the hon. Lady—[Hon. Members: "Answer!"] I will answer the question, but does the hon. Lady believe it right that a family in which one person in work earns £45,000 should lose their child benefit, while a family in which two people earn a total of £80,000 still get their child benefit? If the Government's plans for a fixed-term Parliament go ahead, the election is four years away, and as we do not know what the circumstances of that time will be, it would be inappropriate to write our manifesto now. The hon. Lady would not write hers now.

Where was the Minister when those choices were made? Given those policies, she was not campaigning and fighting for the women whom she ought to represent. If, as some have suggested, women's equality is a blind spot for this Government, I hope that their eyes have been opened today. I hope not least that the Minister has had a chance today to hear the strength of feeling about the effect on women of the increase in the state pension age. Will she send a message of hope to the 500,000 women who face a delay of more than a year before they receive their state pension, with just five or so years to prepare? If the Government can U-turn on forests—and today they have U-turned on sentencing—surely they can listen and act to protect women approaching retirement with fear and trepidation.

Women must no longer be the shock absorbers for this Government's cuts. I urge Ministers to move forward in a fairer way—in a way that does not turn the clock back on women's equality, for which generations of women have fought and will continue to fight.

4.4 pm

The Minister for Equalities (Lynne Featherstone): We have had an interesting and lively debate, and I thank Members on both sides who made contributions, including the hon. Members for Wolverhampton North East (Emma Reynolds), for Worsley and Eccles South (Barbara Keeley), for Oldham East and Saddleworth (Debbie Abrahams) and for Edinburgh East (Sheila Gilmore), and my hon. Friends the Members for Corby (Mrs Mensch), for Devizes (Claire Perry), for Solihull (Lorely Burt), for West Worcestershire (Harriett Baldwin) and for Brentford and Isleworth (Mary Macleod). We also heard a maiden speech by the hon. Member for Leicester South (Jon Ashworth). I thank them all for their contributions and I will address as many points as I have time for, although I do not have that much time.

It is a bit sad that we have heard some inaccurate and empty speculation about the impact that Government policies will have on women. I welcome the opportunity to respond to this debate, and draw a line under the myths that are endlessly perpetuated by Opposition Members. As the Home Secretary made clear, this Government's commitment to women is clear and unequivocal. From the moment the coalition was formed, we stated our determination to tear down the barriers to opportunity and build a fairer society for all. It is not just that we believe equality to be the right of every individual: we believe it goes to the very heart of our ambition to build a better society and a modern, prosperous economy of the future which genuinely draws on the talents and abilities of all. In fact, we are clear that unless we capitalise on the contributions that women can make, our chances of full economic recovery will be seriously hampered.

Of course, because of the mess we inherited—Labour Members hate us repeating that fact—we have been forced to make some difficult decisions. Let me be clear, for those who have not yet managed to get to grips with the state of our public finances, that the mess I refer to—as many of my hon. Friends have mentioned—is the biggest structural deficit in Europe and the biggest peacetime deficit we have seen in our history. But fairness will always be at the heart of all these decisions.

Yvette Cooper: Does the Minister think that public spending should have been cut in the middle of a recession—and if it had been, will she tell us whether she thinks that we would have had growth by the time of the election?

Lynne Featherstone: The point is that we are dealing with the structural deficit. If we do not get our house in order now we never will, and it will be future generations who suffer because of Labour's failure to address it—*[Interruption.]* Chuntering away at me will not help the right hon. Lady.

Fairness is the reason why in April we lifted 880,000 of the lowest-paid workers out of income tax—and it does not stop there, because more will be added to their number every year of this Parliament. It is why we are protecting the lowest-paid public sector workers—the majority of whom are women—from the public sector pay freeze, and they will get pay rises. It is why we are increasing child tax credits for the poorest families by more than the level promised by the last Government. And it is precisely why we are getting to grips with the deficit so that we do not fritter away more and more on debt interest, and destroy the crucial public services that so many women need and depend on.

Cuts—and the impact that Opposition Members say they have—are not all that we care about for women. We care about being ambitious and about taking them out of poverty. We care about giving them the tools to lift themselves out, not just continuing what went on before. If fairness were simply a matter of benefits, taxes and snapshot comparisons of income, it would be easy to achieve—

Barbara Keeley: Will the Minister give way?

Lynne Featherstone: No, I do not have time.

I echo the Home Secretary when I say that it is extremely patronising, and frankly absurd, to lump together 31 million women in this country as the prime victims of the deficit reduction. Women are not a homogenous group, but different individuals affected by different experiences and coming from different walks of life. So no matter how well intentioned, packaging out prescriptive solutions that fail to recognise that reality will not work. What do work are policies designed for all the roles that women play, tackling not just the symptoms of inequality but its causes. I shall try to address some of those points.

First, I pay tribute to the hon. Member for Leicester South, who made his maiden speech. I thank him for his kind words about Parmjit Singh Gill and congratulate him on being in the Chamber while he has a two-week-old baby. When shared parenting comes in, that could have been his wife, if she were able to walk. And as for Engelbert Humperdinck and "Quando, quando, quando", I would have liked to say that I did not know what the hon. Gentleman was talking about, but sadly I did.

The hon. Member for Wolverhampton North East mentioned impact assessments. I have to say that Labour never published equality impact studies for its Budgets, and I do not think it did one on the 10p tax or the 70p pension rise. She also mentioned the gender pay gap. Yes, we are introducing voluntary pay reporting, but that was started under Labour in the Equality Act 2010. However, we will also impose mandatory pay audits on anyone found guilty of discrimination, if it is appropriate, and we have introduced the gagging clauses in the Equality Act. She also asked about trafficking and the Olympics. Work is being undertaken by the Metropolitan Police Service, which has a specialist unit that has received extra funding to prioritise activities to disrupt and monitor trafficking in the run-up to the Olympics.

Hon. Members asked about whether we were opting in to the European directive on trafficking. Well, we are opting into the directive, but we wanted to consider the matter and get it right to ensure that we could deliver on it. However, the coalition Government are going even further with our own human trafficking strategy, which will be announced shortly, and which will aim to disrupt activity in the country of origin, and then on our borders and in this country. As we have heard from many hon. Members, we are putting that support in place. We have also extended the Sojourner project

Margot James (Stourbridge) (Con): Will the hon. Lady give way?

Lynne Featherstone: I am happy to give way to the hon. Lady—*[Interruption]*—as a special treat.

Margot James: Briefly, I would like to remind the hon. Lady that the Government are actually investing more money in the safeguarding of trafficking victims. That is a very good result in the current financial climate.

Lynne Featherstone: I agree with the hon. Lady.

Mark Lazarowicz: Will the hon. Lady give way?

Lynne Featherstone: No. I forgot that I was not going to give way. I was seduced by the siren voices behind me.

An important point was made about the Government's commitment to women. Extending the Sojourner project, and finding a long-term solution with the Department for Work and Pensions, mean that such women will not again be put in the position of not knowing where the support is coming from.

My hon. Friend the Member for Solihull said that we should work together. Well, I am very happy to work with her, and I am happy to work with Opposition Members too, because we need to get past these attacks about blind spots and what they say the coalition Government are and are not doing to women. We all care passionately about the position of women in this country. I find it difficult to accept Opposition Members' criticisms, given how much we are doing. The Home Secretary laid that out quite clearly in her introductory remarks when she gave a long list of things that we are delivering for women.

I congratulate my hon. Friend the Member for Corby on what was a powerful speech, if not a tour de force, in which she pointed out Labour's failure to reform the welfare system. She talked of our relentless focus on children's well-being, and the fact that we are taking 1 million children out of poverty. My hon. Friend the Member for Devizes talked about health visitors and the importance of Sure Start, and my hon. Friend the Member for Solihull pointed out that not a single Liberal Democrat council has closed any children's centres—*[Interruption.]* Sometimes it is quality, not quantity. Much as I would like to work with Opposition Members, I am afraid that it might not happen.

[Lynne Featherstone]

I wanted to respond to all the points that have been raised, but unfortunately I will not have time. The hon. Member for Worsley and Eccles South asked about support for carers. The Government have provided £400 million to the NHS for respite care over the next four years.

Mr Alan Campbell (Tynemouth) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 238, Noes 296.

Division No. 287] **[4.14 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCann, Mr Michael
McCarthy, Kerry
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Gregg McClymont and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
George, Andrew
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill

Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and Norman Lamb

Question accordingly negatived.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

GENDER RECOGNITION

That the draft Gender Recognition (Approved Countries and Territories) Order 2011, which was laid before this House on 26 April, be approved.—*(Angela Watkinson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

WATER INDUSTRY

That the draft Water Industry (Schemes for Adoption of Private Sewers) Regulations 2011, which were laid before this House on 26 April, be approved. —*(Angela Watkinson.)*

Question agreed to.

National Crime Agency

4.33 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I would like to make a statement on the new National Crime Agency. Last year's national security strategy recognised that organised crime is one of the greatest threats to our national security. The social and economic costs are estimated at between £20 billion and £40 billion per year, and its impact is seen on our streets and felt in our communities every single day. The drug dealing on street corners; the burglary and muggings by addicts; the trafficking of vulnerable young women into prostitution; the card cloning and credit card fraud that robs so many—all are fundamentally driven by organised criminals.

Our law enforcement agencies assess that there are some 38,000 individuals engaged in organised crime, involving 6,000 criminal groups; and yet, Sir Paul Stephenson, the Commissioner of the Metropolitan police, said last year that law enforcement is impacting in a meaningful way on only 11% of those 6,000 organised crime groups. We must do better.

For too long, central Government micro-managed and interfered in local policing, but at the same time national and international crime was neglected and our borders became porous. There was no cross-government strategy to tackle organised crime, no national tasking and co-ordination, and no co-ordinated border policing. Different agencies had varying responsibilities for policy, prevention and investigation, and there was a tendency to operate in silos. The overall effect was a fragmented and patchy law enforcement response, and we are putting that right.

By introducing police and crime commissioners, we can get central Government out of the way of local policing. We are putting the Government's focus where it should have been all along: on securing our borders, and tackling national and international serious and organised crime. So we will shortly be publishing the first ever cross-government strategy on tackling organised crime and we will establish a powerful new operational body—the National Crime Agency.

The National Crime Agency will be a crime-fighting organisation. It will tackle organised crime, defend our borders, fight fraud and cybercrime, and protect children and young people. With a senior chief constable at its head, the NCA will harness intelligence, analytical capabilities and enforcement powers. Accountable to the Home Secretary, the NCA will be an integral part of our law enforcement community, with strong links to local police forces, police and crime commissioners, the UK Border Agency and other agencies.

The NCA will comprise a number of distinct operational commands. Building on the work of the Serious Organised Crime Agency—SOCA—the organised crime command will tackle organised crime groups, whether they operate locally, across the country or across our international borders. Fulfilling a key pledge in the coalition agreement, the border policing command will strengthen our borders, and help to prevent terrorism, drug smuggling, people trafficking, illegal immigration and other serious crimes. It will ensure that all law enforcement agencies operating in and around the border work to clear, mutually agreed priorities. The economic crime command will make a

major difference to the current fragmented response to economic crime. Working to a new unified intelligence picture, the economic crime command will drive better co-ordination of cases, and better tasking of resources, across agencies such as the Financial Services Authority, the Office of Fair Trading and the Serious Fraud Office. That will mean that a greater volume and complexity of economic crime cases can be tackled. In due course, we will review the relationship between the economic crime command and the other agencies.

Building on the significant contribution that the Child Exploitation and Online Protection Centre—CEOP—already makes within SOCA, CEOP will, as a key part of the NCA, be able to draw on wider resources and support to help protect even more children and young people. The NCA will also house the national cybercrime unit, which will have its own investigative capacity and help local police forces to develop their own response to the online threat. Each command will be led by a senior and experienced individual, and will manage its own priorities and risks, but, crucially, capabilities, expertise, assets and intelligence will be shared across the entire agency and each command will operate as part of one single organisation.

Intelligence will be at the heart of what the NCA does. Learning from our experience of counter-terrorism, the NCA will house a significant multi-agency intelligence capability. It will collect and analyse its own and others' intelligence, building and maintaining a comprehensive picture of serious and organised criminals in the UK: who they are and who they work with; where they live; where they operate; what crimes they are involved in; and what damage they cause. The NCA will then use that intelligence to co-ordinate, prioritise and target action against organised criminals, with information flowing to and from the police and other agencies in support of tactical operations. Using this intelligence picture, the NCA will have the ability and the authority to task and co-ordinate the police and other law enforcement agencies.

For the first time, there will be one agency with the power, remit and responsibility for ensuring that the right action is taken at the right time by the right people—that agency will be the NCA. All other agencies will work to the NCA's threat assessment and prioritisation, and it will be the NCA's intelligence picture that will drive the response on the ground. That will be underpinned by the new strategic policing requirement.

As well as having the ability to co-ordinate and task the response to national crime threats by the police and other agencies, the NCA will also have its own specialist operational and technological capabilities, including surveillance and means to deal with fraud and threat-to-life situations. This is a two-way street; the NCA will be able to provide its techniques and resources in support of the police and other agencies, just as it will task and co-ordinate the response to national-level crime.

NCA officers will be able to draw on a wide range of powers, including those of a police constable and immigration or customs powers. That will mean that NCA officers, unlike anybody else, will be able to deploy powers and techniques that go beyond the powers of a police officer.

The agency will be an integral part of the golden thread of policing that runs from the local to the national and beyond. At home, the NCA will work in partnership with police forces, chief constables, police and crime commissioners and agencies such as the UK Border Agency. Overseas, it will represent the UK's interests, working with international law enforcement partners. It will also provide the central UK contact for European and international law enforcement.

The agency will come fully into being in 2013, with some key elements becoming operational sooner. The total cost of the organisation will not exceed the aggregate costs of its predecessors. The combination of a single intelligence picture, the tasking and co-ordination function, the specialist operational support and the operational commands will result in a dramatic improvement in our response to national and international crime.

Organised crime, border crime, economic crime, cybercrime and child exploitation are real problems for real people. All areas of the country suffer their effects—from the very poorest communities to the most affluent, from the smallest villages to the biggest cities—and it is often the most vulnerable in our society who suffer the greatest harm. We owe it to them to do more to tackle the scourge of drugs, better to defend our borders, to fight fraud and to protect our children and young people. The National Crime Agency will do all those things and more and I commend the statement to the House.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Home Secretary for providing an advance copy of her statement. We have already had another day, another debate—now it is another day, another statement. Once again, to listen to the Home Secretary one would think this was year zero, that everything failed in the past and that everything will be nirvana in the future. Yesterday, she told us that the Labour Government's Prevent strategy had failed and her new strategy would make no mistakes. Today, she claims that there was no cross-Government organised crime strategy and no effective work on organised crime before, but that for the future we will see a dramatic improvement in the fight against national and international crime just as a result of these changes. There is no end to this Home Secretary's hostages to fortune.

The right hon. Lady also contradicts herself. She says that there was no cross-Government strategy on organised crime, but then she says the organised crime command will build on the work of the Serious Organised Crime Agency, which was set up by Labour in 2005 to take the fight to organised crime. It had a conviction rate of more than 90%. She says that the National Crime Agency will be a crime-fighting organisation with intelligence at the heart of what it does, with the combined powers of police, customs and immigration officers, but that is what SOCA is. Whereas yesterday we had control orders and son of control orders, today we have SOCA and SOCA plus. It is hardly year zero and hardly a new nirvana.

We think we should build on SOCA. Sometimes, it became focused too purely on intelligence and it makes sense to do more to reform national policing. There are considerable benefits that can flow in this area, but reforms also need to be handled effectively or they can go badly awry—and they have already gone awry. Child protection experts have resigned, counter-terrorism plans have been publicly slapped down by the Met and the Serious Fraud Office has been put in a state of suspended animation. That has all happened at a time when 12,000

[Yvette Cooper]

police officers are being cut across the country and the Government are pushing ahead with American-style plans for police and crime commissioners whom nobody wants. The truth is that these plans have been dogged by chaos and confusion. From her statement, there is no sign that the Home Secretary has a grip. Let us consider the individual points that she has made.

The Child Exploitation and Online Protection Agency had good results this year, but Jim Gamble, its successful head, resigned from the agency after seeing the Government's plans to merge CEOP with the NCA. He said today:

"I don't believe that the rebranding or the submerging of CEOP within a far greater entity will allow the critical child protection focus that we need."

He made the point that CEOP will also suffer a 10% reduction in its budget by 2014 and said that he hoped the Government would release the submissions to the consultation on the merger, because they were overwhelmingly against it. We hope too that the Home Secretary will release them, because she has clearly not persuaded the experts on those plans.

On financial crime, the grandly titled economic crime command is a far cry from the Home Secretary's plans to merge the Serious Fraud Office and parts of the Financial Services Authority. Instead, do we have a co-ordinating committee? Or is this just another agency to work with the many already in the field? Does this risk limbo for the SFO, whose director has already said:

"This is a distraction and it is important that a clear direction is made as soon as possible so that the SFO is focused on delivering results for the public."

The Home Secretary has clearly not persuaded the experts or the Chancellor of her plans.

On the border command, the Home Secretary says: "Fulfilling a key pledge in the coalition agreement, the border policing command will strengthen our borders, and help prevent terrorism", but the coalition pledge was for a border police force, not just a command. In the Conservatives' manifesto, it was more boots on the ground. They were talking about 10,000 people a few years ago. Has that been replaced simply by a board to oversee better cross-agency working?

Plans to move counter-terrorism from the Met have been ditched after the commissioner said that national security is "too important" and

"must be based on more than mere structural convenience".

Can the Home Secretary confirm that she does not plan to destabilise matters by revisiting this issue during the important period in the run-up to the Olympics?

On the National Policing Improvement Agency the Home Secretary has said nothing at all, but she is disbanding it in 2012—a year before the NCA starts. We still do not know what is happening to the DNA database or to a whole series of other functions. The chief constable of Derbyshire has said:

"We face an issue that there are absolutely critical services provided by the NPIA that, at the moment, have a date that is going to drop off, with nowhere to go."

What will happen to them? The Home Secretary has not explained how tasking will work, what will happen if chief constables disagree and who will make the final decision when resources become overstretched.

On resources, the Home Secretary says that the total cost of the organisation will not exceed the aggregate costs of its predecessors, but she has not commented on set-up costs. Peter Neyroud has estimated that this top-down reorganisation will cost between £15 million and £20 million. When that is added to the cost of police and crime commissioners we have £120 million being spent on top-down reorganisations while 12,000 police officer posts are being cut, putting the fight against crime at risk across the country. There is a risk that chaos and confusion will make it harder for the police to cope given the drop in resources that they are experiencing.

For this renamed crime agency to be successful, it needs steady leadership, clarity and the resources to deliver. In the end, reorganisation is no substitute for police officers on the ground doing the job on national and local crime and going the extra mile to catch criminals and keep communities safe. That means we need an end to the confusion and a bit more realism both about the past and about the detail of the reform. We need to start closing the gap between the rhetoric and the reality on the ground.

Mrs May: Yes, another day, another Home Office statement and, sadly, yet another similar response from the shadow Home Secretary. Indeed, she repeated many of the phrases that she used in her response to yesterday's Prevent statement. She really needs to go away and think very carefully about what we mean by a cross-government organised crime strategy. She said that the previous Government had such a strategy because it set up SOCA and because SOCA existed, but we are talking about bringing together all the strands of law enforcement, including law enforcement agencies and police forces, that deal with organised crime. We are developing a comprehensive, coherent cross-government approach to dealing with organised crime. That is an organised crime strategy, which is not what the previous Government had.

I accept that SOCA has been doing good work and we want to build on that as part of the organised crime command within the new National Crime Agency, but there are other areas of crime that we need greater focus on. Yes, we need to look more closely at what is happening on our borders and to enhance our ability to bring together various agencies that have responsibility for and operate on the borders. We need to do that in conjunction with organisations such as the organised crime command and CEOP to ensure that we have the advantage of using not only the intelligence capability that will be at the centre of the NCA but the synergies that will be available when those agencies work properly together.

We will also be setting up a new economic crime command. There is a need in this country to look much more closely at economic crime. There is a whole swathe of what could be called middle-level economic crime that we have not dealt with appropriately and properly in the past, and the economic crime command will enable us to put a clear focus on that. It will enable us to ensure that the various agencies dealing with economic crime are working together, are co-ordinated and are working to the same priorities. It will also enable us to ensure that resources are being put in the right place, at the right time, where they are needed. This is a new development and a very important one in enhancing

our work on economic crime. Indeed, it will not wait until the NCA is set up. Within the next few months we will establish a co-ordinating board on economic crime which will already start that important work. This is a powerful new crime-fighting body which I believe will make a real difference to our ability to deal with organised crime.

Tom Brake (Carshalton and Wallington) (LD): I welcome the focus that the NCA will place on tackling organised crime, and the creation of the border command. We need the NCA to be set up seamlessly. Can the Home Secretary set out how the Government will minimise the disruption caused by the structural change and maximise the speed with which the NCA becomes fully operational and effective?

Mrs May: I thank my hon. Friend for an important question. The establishment of the NCA will require legislation. We aim for that legislation to be in place so that the NCA can be fully operational in 2013, but we believe that this is an important area and that we need to start working before then. The transition to the NCA can be eased by work such as developing the organised crime strategy, starting to develop the co-ordination capability on organised crime within the Home Office, which we are doing and, as I have just indicated, starting to develop the co-ordination capacity in relation to economic crime. These are the precursors for a more seamless transition to the NCA.

As we develop the agency, we intend to establish a position for an individual who will head the work. An individual at chief constable level will be appointed fairly soon—within the next few months—and will be able to work within the Home Office over the period before the NCA is set up. At that point there will be a transition for a permanent individual to be established as the head of the NCA.

We want to learn lessons—for example, from the setting up of SOCA, where there were some difficulties in terms of personnel and their move over to SOCA. We will be looking at the lessons to be learned from that.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I congratulate the Home Secretary on the prettiest little speech rewriting history that the House has heard for some time. I plead guilty to having been responsible for launching the Serious Organised Crime Agency. I had hoped for a 50% remission, but I will have to settle for a third instead.

The truth of the matter is that SOCA has had enormous successes but was bedevilled by the over-emphasis on intelligence rather than on enforcement, yet this afternoon the Home Secretary once again placed intelligence at the centre. In the new economic crime directorate, the new border directorate and the relationship with Customs and Excise, who will be responsible for the emphasis on economic and, by its very nature, cybercrime—the Treasury directing the policy or the Home Office laying it down? We had problems with that, and I did not hear any explanation of how the present Home Secretary intends to get round that difficulty.

Mrs May: I am sorry about the approach that the right hon. Gentleman took in his comments. If he had listened carefully both to my statement and to the response I gave to his right hon. Friend the shadow Home Secretary, he would have heard me make it clear that I think SOCA has done good work over the past few years, but I believe, and I think those involved in SOCA would agree, that we can do more. We can build on the experience that it has built up. By making SOCA the organised crime command within the National Crime Agency and being able to take advantage of the synergies across the law enforcement agencies and police forces, we will be able to do a more effective job in the future.

On the intelligence issue, yes, there will be an intelligence capability at the NCA. That is important, but the difference is that the NCA will clearly be a crime-fighting body and the commands within it will be crime-fighting commands.

In relation to cybercrime, which the right hon. Gentleman referred to, there will be a cybercrime unit at the NCA which will cross all the commands, because cybercrime is both a crime in itself and a tool for the execution of other crimes.

Nicola Blackwood (Oxford West and Abingdon) (Con): I thank the Home Secretary for her statement. On the role of the NCA with regard to human trafficking, it is estimated that more than 2,500 trafficked women were victims of sexual exploitation in 2009 alone. Can my right hon. Friend explain to the House how the border policing command will go further to clamp down on this unacceptable practice?

Mrs May: I thank my hon. Friend for her question. I know that this is an area in which she takes a particular interest. We recognise that a lot has been done in relation to trafficking in recent years, but more can be done. The great advantage of the border command is that it will be able to bring together resources and task resources within both agencies and local police forces. It will work with other command organisations within the National Crime Agency, such as the serious organised crime command, in a way that has not happened until now. One of the problems we have had until now is that the Government have too often approached this with silo thinking, but criminals do not think in silos. The human trafficking gang probably also deals in drugs and might be involved in other things, such as child exploitation, so we need to look across the whole swathe when dealing with criminals.

Mr David Hanson (Delyn) (Lab): The Home Secretary has said that the aggregate budget will not be more than the budget for the organisations comprising the new agency. Could she indicate what it will be, and if it is less will she guarantee that key functions now undertaken by the National Policing Improvement Agency, such as the Missing Persons Bureau or the DNA database, will not slip off the edge during the reorganisation?

Mrs May: It will not cost more than its predecessors. It is possible that some of the current functions of the NPIA, such as witness protection and threat to life issues, could move into the NCA, but if they do so they will move as funded functions so that the funding already available will be used for the operations of the NCA. The NPIA will cease to exist, as we have set out very clearly. We are looking at the functions that it is right to bring into the NCA, but, given that it is an operational crime-fighting body, it is not right that all the NPIA functions should come into it.

Rehman Chishti (Gillingham and Rainham) (Con): With regard to law and order and tackling crime, does the Home Secretary agree with Phil Collins, who said that Labour do not have a particularly strong position on crime of any kind? *[Interruption.]*

Mr Speaker: Order. I have made this point several times before: statements are about questioning the policy of the Government, not that of the Opposition. I call Mr Stewart Jackson.

Mr Stewart Jackson (Peterborough) (Con): I welcome the Home Secretary's statement. I am sure that she, like me, would congratulate Cambridgeshire constabulary on the work it is doing to combat people trafficking through initiatives such as Operation Sodium. On a specific point about people trafficking, how does she see the priority for the NCA in respect of the sharing of criminal records data across the European Union, an area that, regrettably, was ignored by the previous Government?

Mrs May: I thank my hon. Friend for his question and am happy to join him in congratulating Cambridgeshire constabulary on its work and the operations it has undertaken on human trafficking. In relation to all those issues, the National Crime Agency will be looking to operate across international borders as well as across police force borders in the UK. The sharing of information within the European Union, and indeed the sharing of information in other ways, as he knows, has been and is a matter of discussion within the European Union. The NCA will be the key point of contact for both European and wider international co-operation.

Ann Coffey (Stockport) (Lab): The Missing Persons Bureau provides a single database of all missing adults and children, a valuable national and international resource. In addition, it continues to provide advice and support to some families of missing children, although some services have gone to CEOP. Will the Home Secretary give some more information on where the Missing Persons Bureau will sit operationally, particularly in relation to CEOP, in 2013 and between now and then?

Mrs May: The hon. Lady raises an important issue. As she says, we have already announced that the missing children aspect will be going to CEOP. We are now looking at the wider work on missing persons to see where it is appropriate for that to sit. It might be that it is appropriate for that to be within the National Crime Agency. We will ensure that decisions are taken so that there is no opportunity for this to slip between two stools, because it is an important area of work.

Mrs Anne Main (St Albans) (Con): I welcome the Secretary of State's admission that the agency will pull together a lot of strands that had a silo mentality within the previous Government. On illegal immigration, given that under the previous Government many illegal immigrants came into the country, disappeared and could not be found, could it be that through this new overarching structure we will now have a greater way of informing intelligence, so that anybody with local information on the ground will be able to help and feed in information to the correct place?

Mrs May: Yes, indeed. We will be looking to create a situation with the border police command in which it will be possible to use greater intelligence in relation to the issue that my hon. Friend raises—in due course, of course. Through our borders work, we are in the process of further developing our understanding of individuals who are in the United Kingdom, but of course those who come to the UK to work do have to have a biometric residence permit.

Pete Wishart (Perth and North Perthshire) (SNP): What discussions did the Home Secretary have with the devolved Administrations when she was setting up the agency, and what relationship will it have with devolved police services?

Mrs May: We have had a number of discussions on the matter with the devolved Administrations, and the National Crime Agency will deal with some aspects of crime which are reserved matters, but we are very conscious of working with the devolved agencies. In relation to Scotland, we expect the NCA to work with, for example, the Scottish Crime and Drug Enforcement Agency and the Scottish police forces—or force, should there be a single police force in future. In working with the devolved Administrations, we will respect the primacy of law enforcement agencies in the devolved nations.

Sarah Newton (Truro and Falmouth) (Con): I represent a large port in a county with a long coastline. Can the Home Secretary confirm that the border police command will ensure that all agencies responsible for the nation's coastline and ports work together to prevent illegal immigration, drug and people trafficking and tax evasion?

Mrs May: I am happy to give that confirmation to my hon. Friend. Given her constituency, I realise that the issue will be of particular interest to her. Crucially, the border police command will be able, not only by itself but working with other commands in the National Crime Agency, to provide much better co-ordination of all the forces and law enforcement agencies that need to be brought to bear in order to deal with the issues that she raises.

Mrs Jenny Chapman (Darlington) (Lab): Online crime against children and the exploitation of children are growing in prevalence, and I know that the Home Secretary is concerned about that and wants to do something about it. CEOP is a very successful organisation, with many admirers throughout the world and, from what I can tell, very few critics. Given that it does not just detect crimes but assesses whether a crime has taken place, how will the Home Secretary assess whether her decision to merge it is the right one?

Mrs May: CEOP will continue to do the work that it has been doing, but it will be able to be even more effective because it will be part of that wider agency. The CEOP brand will continue to exist, and we have made it absolutely clear—we have talked to CEOP and to Peter Davies about this—that CEOP will continue to operate as it does at the moment, because an important part of its work is its links with the private sector. It will be able to continue to do that work within the National Crime Agency, but on top of that it will have the

advantage of access to intelligence capability, of access to that prioritisation of work and of working with those other commands.

Dr Julian Huppert (Cambridge) (LD): I congratulate the Home Secretary on her statement. I am comfortable that the National Crime Agency will be able to deal well with serious and organised crime, but what about serious but not organised crime? What about serial killings, rapes and issues like that, which the NPIA currently deals with? It still seems unclear where its injuries database and all its other services in relation to serious but not organised crime will sit. What will happen to all that?

Mrs May: Of course, one of the difficulties in all such issues relates to the definitions that one uses for those types of crime, but serious crime that is not undertaken by organised crime groups is predominantly dealt with by individual police forces. As a result of the National Crime Agency being set up, however, I believe that it will be possible to share intelligence on serious crimes of that sort. It will encourage greater regional co-operation among police forces, so it will be possible to deal better and more effectively with serious crime that is not related to organised crime groups.

Angela Smith (Penistone and Stocksbridge) (Lab): The Home Secretary bravely claimed that the new initiative will result in a dramatic improvement in our response to national and international crime. May I therefore ask her how the performance of the NCA will be measured and how it will be reported to the House?

Mrs May: As I have made clear, the National Crime Agency will be accountable to the Home Secretary. We will look at the procedures that we can put in place to ensure that there are appropriate timed reports to the House on this matter—although, as I observed to somebody who asked me that question earlier today, I have every confidence that the Home Affairs Committee, apart from anything else, will show an interest in it. The measurement of success is one of the issues that has dogged SOCA, because SOCA's role is not only about finding and prosecuting criminals and seizing assets but preventing crime from taking place. Indeed, the success of such agencies often lies as much in what they prevent as in the number of criminals that they catch. We will be looking very carefully at the measurements that can be used because, as I say, SOCA has suffered from the sort of measurements that have been applied to it.

Elizabeth Truss (South West Norfolk) (Con): This is an extremely positive move. Criminal gangs do not operate in the context of 43 forces, and for too long we have lacked a proper link between the forces in terms of intelligence and operations. Will the Home Secretary be looking for a similar model to that of the counter-terrorism hubs whereby local forces can collaborate and link into a national network?

Mrs May: Counter-terrorism is a good example of where there is a national organisation that deals with a matter at national level. When the National Crime Agency is in place, it will want to look at how it chooses to operate with the different commands that are under its remit.

My hon. Friend's question reminds me that I did not respond to one of the points that the shadow Home Secretary made about counter-terrorism. I will do that now, if I may, because it is an important issue. We have never said that counter-terrorism would come under the remit of the National Crime Agency. We have made it clear that we will not do anything to disrupt the current counter-terrorism arrangements before the Olympics, and we will not do anything to disrupt those arrangements before the National Crime Agency is up and running. There will be a point at which it will be appropriate, in the new landscape, to look to ensure that counter-terrorism is still being dealt with in the most effective way possible.

Naomi Long (Belfast East) (Alliance): The UK's only land border is with the Republic of Ireland in Northern Ireland. Given the particular and specific challenges that that border raises, what discussions has the Home Secretary had with my colleague, the Minister of Justice in Northern Ireland, about how to implement this in the Northern Ireland context and how to ensure that the NCA benefits from the very positive working relationships between the Police Service of Northern Ireland and the Garda Siochana?

Mrs May: We have been talking to all the devolved Administrations, including in Northern Ireland, about the establishment and operation of the NCA. We are very conscious of the particular issues in relation to Northern Ireland, particularly given the existence of the common travel area in relation to border issues. We are also conscious of the very good relationships between the PSNI and the Garda in dealing with a number of issues that affect both sides of the border. Obviously, we respect the relationships that have been established and will continue to work with and talk to the devolved Administrations about how the operation of the NCA will affect them and how we can all work together.

Caroline Dinenage (Gosport) (Con): From speaking to police, head teachers and other community workers in my constituency, it is clear, without question, that the biggest cause of crime, poverty and deprivation is drugs. With the best will in the world, having more police on the streets will not tackle the root cause of that problem—it is about tackling the dealers, the traffickers and the low-lifes who most benefit from the proliferation of drugs on our streets. Can the Home Secretary expand a little more on how the NCA will effectively tackle that?

Mrs May: Yes, indeed. We need to tackle the drugs threat at all levels. In relation to those who are drug addicts, we have already issued our new drugs strategy. My hon. Friend is absolutely right that we need to look at the organised crime groups that are plying this trade and bringing drugs into the country. We will be putting a focus on the disruption of activity upstream. SOCA has had some success on this in relation to a number of countries, including Colombia. We will want to build on that to ensure that we can cut off the supply before it reaches our streets.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Many Members and development non-governmental organisations are extremely alarmed by the Home Secretary's apparent decision to put the Serious Fraud Office on 12 months' notice. The uncertainty about the SFO's future has led to key staff leaving in recent

[Catherine McKinnell]

months, which has undermined the fight against crime and corruption. Will the Home Secretary explain what is the point of prolonging the damaging uncertainty and instability in this organisation?

Mrs May: I gently suggest to the hon. Lady that she should not believe everything she reads in the newspapers. There is no suggestion that the SFO has been put "on 12 months' notice". What we have said has been absolutely clear. The SFO is continuing to exist and to operate as it has done. We will set up an economic crime command in the NCA. In the interim—very soon, within the next few months—we will set up a co-ordinating board, initially chaired by SOCA, which will bring together those involved in dealing with economic crime, including the SFO and other agencies, to see how we can develop better co-ordination among the agencies to improve the way in which we deal with such crime. In due course, we will consider what is the appropriate relationship between the NCA, the SFO and other agencies that deal with economic crime.

Mr Rob Wilson (Reading East) (Con): It is often said that an organisation is only as good as its leadership. It is therefore important that the new head that is appointed is of sufficient quality. Has my right hon. Friend appointed a new head? If so, perhaps she can share with the House who that person is and what their experience is.

Mrs May: No, I have not appointed a new head, but an advertisement for the post has been published today. As I indicated in my response to my hon. Friend the Member for Carshalton and Wallington (Tom Brake), we intend that the head of the NCA will be a senior chief constable who is at the top tier in terms of salary and rank. It is important that they have crime fighting experience so that they can drive the NCA as a crime fighting body.

Mr Tom Watson (West Bromwich East) (Lab): The convicted private investigator, Jonathan Rees, who was contracted to News International, targeted the former Prime Minister, Tony Blair, for covert surveillance, as well as at least one former Home Secretary. It is likely that witness testimonies have been available to the Metropolitan police for a number of years. Given the seriousness of this case, is it the sort of case that the Home Secretary would take from the Metropolitan police and give to the new National Crime Agency?

Mrs May: The hon. Gentleman tempts me to comment on an ongoing investigation, but it is not appropriate for me to do so. As he knows, because he asked this question at Prime Minister's questions today, an investigation is being carried out by the Metropolitan police. We have made it absolutely clear that they should follow the evidence wherever it goes.

Mr Tobias Ellwood (Bournemouth East) (Con): I welcome the statement. Cyber-security is a growing concern. It is fair to say that Britain has been slow to recognise this threat. Every day, there are more attacks on Government Departments. Will my right hon. Friend outline how the NCA will co-ordinate the response to this growing threat?

Mrs May: There is a cyber-security office in the Cabinet Office that looks at cyber-security from a national security point of view. The NCA will focus on cybercrime. It will have a specific cybercrime unit that will develop our capability to deal with such issues. The mistake is often made of talking about cybercrime as if it is something completely new. Sometimes cybercrimes are new forms of crime, but sometimes it is simply that cyber-techniques and technology, rather than physical means, are used as tools to commit normal crimes such as fraud or robbery. That capability will be developed in the NCA.

Stephen Mosley (City of Chester) (Con): I welcome my right hon. Friend's statement, but I echo some of the concerns expressed by Opposition Members, including the shadow Home Secretary, in highlighting the success of CEOP. I ask for reassurance that CEOP's excellent work, such as its leading global role in tackling international child abuse networks on the internet, will continue under the NCA.

Mrs May: My hon. Friend absolutely has my confirmation and reassurance on that point. We are very conscious of the excellent work of CEOP, and nothing that we are doing will upset it. CEOP will continue to work in the way that it has, but it will also be able to build on its work because of the links that it will have with other commands under the National Crime Agency. I suggest that if he has any further concerns—I hope he will not, following my reassurance—he look at the comments that the chief executive of CEOP made a couple of weeks ago on the "Today" programme. He was absolutely clear that moving to the NCA would in no way degrade or affect CEOP's ability to carry on doing its work.

Mr Peter Bone (Wellingborough) (Con): May I thank the Home Secretary for coming to the House to make a statement yet again? It is a real improvement in parliamentary form. At this late hour, Members on both sides of the House have still been very interested in hearing what she has said.

Will the NCA effectively lose responsibility for human trafficking? The non-governmental organisations are very concerned that after the specific trafficking centre in Sheffield went into SOCA, it may now get lost. I know that the Government are keen to move forward on human trafficking, but that is a concern.

Mrs May: My hon. Friend obviously has a particular interest as chairman of the all-party group on human trafficking. I know that he is waiting, I hope with some interest and excitement, for the Government's publication of our human trafficking strategy in a matter of weeks, when we will be able to set the matter in more context. The aim is that human trafficking will come within the National Crime Agency's remit. Whether it is in a specific unit in the organised crime command or dealt with in another way will be a matter for the NCA when it is set up, but once we have an individual in place who is driving the creation of the NCA, I expect that to be exactly the sort of issue that they will want to examine.

Graham Evans (Weaver Vale) (Con): Will my right hon. Friend reassure me that the National Crime Agency will build on some of the good work of SOCA in tackling organised crime?

Mrs May: I can give my hon. Friend that reassurance. As I have said in response to a number of hon. Members this afternoon, SOCA has done good work, but we believe that more can be done. The organised crime command being within the NCA will enable greater synergies of operation both across law enforcement agencies and with police forces' activities. I believe that we will be able to build on our work in dealing with organised crime. As I indicated in my statement, Sir Paul Stephenson has said that sadly, at the moment we are not doing enough in that area and need to do more.

Bob Stewart (Beckenham) (Con): Crime is often linked with terrorism. Will the National Crime Agency have primacy over other agencies when several agencies have an operational interest?

Mrs May: It will for those matters that are under its remit, but as I indicated in a response a few minutes ago, the counter-terrorism policing structure will not be changed—certainly not before the Olympics, and not before the National Crime Agency is set up. That is staying as it is. There will be links between the NCA and the Association of Chief Police Officers' terrorism and allied matters committee in dealing with terrorism, and when there are links between organised crime and terrorism it is obviously important that those bodies work together to ensure that they deal with them effectively.

Christopher Pincher (Tamworth) (Con): I welcome my right hon. Friend's determination to make the NCA a crime-fighting organisation, but can she say at this stage how many officers she expects will serve in it and what the balance of resources will be between the various commands?

Mrs May: By definition, we are bringing a number of existing agencies into the NCA, so it is expected that those who are in those agencies at the moment will come into it. The exact disposition of the numbers and those individuals among various commands is not yet set in stone. It will of course be considered in the transition period, once the individual who will head up the NCA in its transition is in place.

PETITIONS

Post Box Provision (Nelson, Lancashire)

5.19 pm

Andrew Stephenson (Pendle) (Con): This petition is from the residents of Nelson, Lancashire, and the surrounding area. It is signed by more than 500 residents.

The petition states:

The Petition of residents of Nelson, Lancashire, and others,

Declares that there is a need for a post box outside the main Post Office in Nelson.

The Petitioners therefore request that the House of Commons urges the Government to encourage Royal Mail to take all possible steps to ensure that a post box is provided outside the main Post Office in Nelson.

And the Petitioners remain, etc.

[P000924]

Bus Service (Little Harrowden, Northamptonshire)

5.20 pm

Mr Peter Bone (Wellingborough) (Con): Last week, I had the great pleasure to attend a protest meeting in Little Harrowden about the No. 24 bus—or lack thereof. We nearly overflowed into the car park because there were so many people there. A petition has been given to me to present to the House to get Little Harrowden reconnected with Wellingborough. With your permission, Mr Speaker, I shall read the petition to the honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The petition states:

The Humble Petition of residents of Little Harrowden, Northamptonshire and the surrounding areas,

Sheweth

That the decision by Stagecoach bus company to eliminate most of the bus services between Little Harrowden and Wellingborough due to cut backs in subsidy from Northamptonshire County Council has led to considerable hardship to the old, disabled, vulnerable and young in isolating the village from Wellingborough and necessitating a difficult and dangerous walk along a busy and partly unlit road.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Transport to liaise with Northamptonshire County Council and the Borough Council of Wellingborough to find a resolution that will lead to the Number 24 bus service being re-established between Little Harrowden and Wellingborough.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000925]

NHS (Cornwall)

5.21 pm

Andrew George (St Ives) (LD): I am proud to present a petition of more than 6,000 residents of west Cornwall, which was gathered by my constituents who have been, and remain, justifiably concerned about the Government's Health and Social Care Bill. They have gathered support for their petition over the past few months, before and since the Government's "pause and listen" process. They look forward to the formal outcome of that process and hope that the Government will have been encouraged to scrap the Bill and start again. I have also been given a disk copy of a similar petition undertaken by 38 Degrees. That amounts to a total of 300,000 signatures.

The petition states:

The Petition of residents of West Cornwall, the Isles of Scilly and St Ives, and others,

Declares their opposition to the Health and Social Care Bill currently before Parliament as it will take away their single Cornwall National Health Service and replace it with consortia led by GPs. Further, the Bill will allow the increased involvement of profit-led companies in our health service.

The Petitioners therefore request that the House of Commons rejects the Health and Social Care Bill.

And the Petitioners remain, etc.

[P000926]

Greenock Coastguard Station

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Newmark.)*

5.23 pm

Katy Clark (North Ayrshire and Arran) (Lab): I am very pleased to have secured this debate today on a topic of concern to many in my coastal constituency who rely on the service provided by the Clyde coastguard service at Greenock. Of course, the debate takes place in the context of the consultation on the future of the Maritime and Coastguard Agency, which was announced to the House in a written ministerial statement on 16 December 2010. The consultation proposes the closure of more than half the current coastguard stations and the loss of approximately 248 jobs.

A number of my constituents work at Clyde coastguard station at Greenock, and many of the points that I shall put to the Minister today, and the questions that I will ask him, come directly from them. The House will be aware that coastguards have recently been prevented from giving evidence directly to the Select Committee on Transport. Operations room staff at the Clyde coastguard station have, however, authored a response to the consultation, which was submitted on 5 May. I hope that the Minister will look at that submission and ensure that it is considered constructively. It makes many detailed points in support of retaining a coastguard station at Greenock.

Iain Stewart (Milton Keynes South) (Con): I congratulate the hon. Lady on securing this important debate. I am a member of the Transport Committee and, as she rightly says, we are conducting an inquiry into the future of coastguard stations. Although we were not able to take evidence formally from the staff at Greenock, we visited the station and met the staff informally as part of our inquiry. I pay tribute to the officers. The views they expressed were noted, and will be helpful in formulating the response to our inquiry.

Katy Clark: I am grateful for that intervention. I hope that the views expressed by coastguards at Greenock and other coastguard stations are listened to by the Government, and I strongly welcome the fact that coastguards were able to speak informally to the Committee. They have made many technical points which it is helpful for Members of Parliament to listen to.

Bill Esterson (Sefton Central) (Lab): I add my congratulations to my hon. Friend on securing this important debate on the future of Greenock. Does she know whether staff or former staff at Greenock were involved in drawing up the proposals that inform the consultation? That is a concern that has been raised with me by staff at the Crosby coastguard station, which is also under threat in this review.

Katy Clark: The constituents of mine who work at Greenock and other members of staff—I have spoken to them on several occasions over the years—were not involved in any way with the proposals, and that is one of the concerns that has been expressed up and down the country. The proposals do not seem to be based on the experiences of those who have been actively involved in providing the service.

If the proposed closure of the Clyde and Forth coastguard stations goes ahead, it will leave the central belt of Scotland without a coastguard station. Indeed, if the proposals go ahead as originally announced in December last year, there will be no coastguard stations south of Aberdeen or north of Bridlington in Yorkshire. My constituents are concerned that it is far from clear what criteria were used to develop these proposals, so it is not clear why Clyde has been proposed as one of the stations that will close. That is also far from clear to my constituents who rely on the service provided by Clyde coastguard station. I hope that in the reply to this debate we will get more information on that point, so that we can try to rebut some of the arguments.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I, too, congratulate my hon. Friend on securing this debate. Does she agree that one of the characteristics of this debate in so far as it affects Greenock—and the constituents of mine who sometimes work out of the Clyde station and other coastguard stations—is that strong and reasoned arguments have been made against closure, but similar arguments have not been made by those who propose closure? That is why it is important that the whole process should be rethought.

Katy Clark: I agree with my hon. Friend, and I commend the work that he has undertaken in relation to the Forth coastguard station. In this debate I will be asking a number of questions specifically about why Clyde has been proposed for closure, but hon. Members on both sides of the House have questions about many of the other coastguard stations. As I look around the Chamber, I see the familiar faces of hon. Members who have been campaigning on behalf of their constituents and the coastguard stations on which they rely. I hope that answers will be forthcoming from the Minister. This debate concerns the Greenock site, and he might be unable to reply today to some of my points. If not, I would hope to get written responses later.

Clyde coastguard station is the busiest station in Scotland and, depending on how the figures are read, it is also one of the busiest in the United Kingdom. My figures have been provided by those who work at Clyde coastguard station. They have used their knowledge to provide those figures, although one of the problems is that it has not been easy to get much of the information. According to the figures I have been given, Clyde coastguard station seems to be the top coastguard station in Britain for urgency calls; second behind Falmouth for distress calls; third for search and rescue hours; and fifth for incident numbers in the United Kingdom. Whichever way we look at it, it seems to be one of the busier stations in the United Kingdom.

The station has the largest coastline to look after, because of the number of islands and the length of the sea lochs in the area for which it has responsibility. The station has 41 coastguard rescue teams under its control, and has more ferry routes—28, including four in my constituency—than any other district coastguard station. In many ways, the seas for which it is responsible are getting busier, despite a significant reduction in the number of fishing vessels owing to the seas in the part of the world in which I live having been fished out. There are more fish farm support vessels, and there will

be an increasing number of vessels for offshore renewable projects as well as a considerable number of cruise vessels, Navy vessels, submarines, including nuclear submarines, and a significant increase in the number of small leisure craft.

We have heard a lot about local knowledge in the debate about the future of the coastguard service. I believe that Clyde, as one of the largest stations, must have developed a significant amount of local knowledge about the huge terrain for which it provides a service. I cannot see any sense in closing such a large station and losing staff with so much local knowledge, and having other stations take on the work. The economic reality is that Greenock staff are unlikely to be able to transfer from low-cost areas such as Inverclyde or north Ayrshire to high-cost areas such as Aberdeen and the south of England, which have comparatively expensive house prices. When stations such as Greenock close—if that is allowed to happen—such knowledge is lost. It will not move with them.

As I said, many aspects of this matter do not seem to have been given proper consideration. In particular, as far as we can tell, the costs involved in the different coastguard stations do not seem to have been given detailed consideration. The relevant figures, however, many of which are quoted in the response of the operational staff to which I referred the Minister, suggest that Clyde is a cheaper station, because it is situated in a low-cost area with cheaper property prices. The figures also show that there is a large number of applicants whenever posts are advertised there, because it is an area with high unemployment and few quality available jobs. Furthermore, when people get those jobs, they tend to stay, so the retention rate is far higher than in other stations. As I say, detailed work has been done on that—work to which I refer the Minister. However, I would also ask him to say whether that issue was taken into account before December, when the proposals were made.

Bill Esterson: My hon. Friend talked about whether staff would relocate. I have heard no indication in the comments made to me of a significant relocation package for staff. Does she have any information from staff who have approached her about whether that has been offered or mentioned, or does she know whether it is part of the consultation process?

Katy Clark: I thank my hon. Friend for that intervention. The terms of the civil service relocation package do not necessarily make relocation an attractive option, particularly for those living in areas where accommodation is comparatively cheap and for whom the available options are probably not attractive.

Mark Lazarowicz: Given the age profile, will not many of those working in such stations have done so for many years and often have family commitments and other connections? They cannot simply uproot and move 200, 300, 400 or 500 miles away. They will not go, and that expertise will be lost and they will be unemployed.

Katy Clark: My hon. Friend is obviously correct that, often, not just one individual working in a household will be affected. Relationships will be complicated, and frankly, many people will simply not be in a position to move. Indeed, I suspect that that will probably more often be the case at coastguard stations with experienced long-term staff. We also need to be aware that coastguards are already on very low incomes.

The Minister will be aware that Inverclyde and North Ayrshire are areas of high unemployment and deprivation. Have the economic impacts of the proposals been considered, in particular on Clyde and the wider community? The decision to close Clyde, but keep open the other large coastguard station in Scotland at Aberdeen, seems to be based on current leasing arrangements rather than on operational reasons—or, indeed, on the ongoing running costs of each station. The lease for the Clyde station comes to an end in 2012, with the Aberdeen lease coming to an end in 2020. It has been put to me repeatedly that this seems to have been a major consideration in the proposal to close Clyde. Will the Minister confirm whether that was a factor in coming forward with the proposals, and if it was, will he say how large a factor it was? Has any work been done on the comparative costs of the various options of keeping one coastguard station open as opposed to another?

Mark Lazarowicz: I am grateful to my hon. Friend for giving way, and I assure her that this is my last intervention. On the question of having one or two coastguard stations, just to make it clear, I am sure that she does not mean to suggest that we want the Aberdeen station to close instead Greenock. The whole point is that we do not want the entire coastline of Scotland and parts of the north of England to be served by just one station, which is clearly not a practical solution.

Katy Clark: I agree with my hon. Friend. I am trying to get the Minister to provide more detail on the reasoning behind the proposals. I am strongly of the view that we need a geographical spread of coastguard stations and that we need more than one in Scotland. I have not necessarily looked at the detail of every coastguard station, but I suspect that some hon. Members in the Chamber have.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Perhaps the hon. Lady's concern about stations on all parts of the coastline echoes her comments about the transferability of staff. Does she agree that local knowledge is critical to the successful operation of coastguard services?

Katy Clark: I agree with the hon. Lady. I am in no way trying to set one coastguard station against another; what I am trying to do is put points on behalf of the Clyde coastguard station that I do not believe will be put in any other forum. There is huge frustration about the fact that it has not been possible to make those points, and we know that very few reasons were given for the proposals.

In every debate about the issue that has taken place in the House, members of all political parties have strongly made the case for local knowledge. There is a considerable distance between the constituency of the hon. Member for Banff and Buchan (Dr Whiteford) and mine. At present that local knowledge is held in the Clyde coastguard station, and if Aberdeen were to take on the work, the acquisition of such knowledge would take a number of years. That point has been made to the Minister a number of times.

Bill Esterson: My hon. Friend made the same point about local knowledge when speaking about the growth of shipping in the Clyde estuary. It is a crucial factor. While the technology on the larger ships will enable them to make the most of the new technology that the MCA is proposing to introduce, many smaller vessels—including fishing vessels and, in particular, pleasure craft—will not. It is particularly important to retain local knowledge in areas such as the Clyde, where there will be much more shipping than there is at present.

Katy Clark: I thank my hon. Friend for his helpful intervention. In my constituency, a number of marinas have opened in recent years. We have the largest marina in Scotland in Largs. There has been a huge increase in the use of our seas for pleasure activities and sailing of all types, but with that come many inexperienced users, with whom coastguard station staff will find it more difficult to deal.

Submissions put together by the Clyde staff, with the assistance of Inverclyde council, contain costings for a site at Greenock. The lease at Greenock will expire in 2012, and a number of other local options have been costed. I should be grateful if the Minister would confirm that they will be considered. The Driving Standards Agency recently decided not to close its Cardiff office after the Public and Commercial Services Union was able to make proposals for a cheaper site, and I wonder whether a similarly open-minded approach will be adopted in this instance. Will the Minister ensure that the submissions from Clyde staff and Inverclyde council are given proper and careful consideration?

As I have said, it is far from clear what criteria were used for the proposals that were announced on 16 December. I hope the Minister agrees that it is only fair for there to be a transparent process, and for proper responses to be provided to questions such as those that I have asked today. The Clyde coastguard station has provided an excellent service, and I hope that once the Government have an opportunity to consider the issues in detail, they will decide to reconsider the proposals and keep it open.

5.43 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a pleasure to respond to the debate initiated by the hon. Member for North Ayrshire and Arran (Katy Clark). It is one of many debates on the subject in which we have engaged in the last few months, and that is right and proper, because the Government are making a very important decision.

May I take the first opportunity that I have had to pay tribute to David Cairns, whose Inverness constituency contains the Clyde maritime co-ordination centre? He was very active in the campaign as it is now, but long before these proposals were made he had engaged considerably with the Maritime and Coastguard Agency and had visited the station on many occasions, particularly when the Ministry of Defence indicated that it was likely to withdraw the lease and that, in this respect, we would be homeless in that part of the world. His attitude to his constituents was exemplary, as was the way in which he conducted himself during our debates. He will be sorely missed by the House, and whoever replaces him—I understand that the writ for the by-election was moved today—will have a very large pair of shoes to fill.

Although I congratulate the hon. Lady on securing the debate—and I also congratulate the hon. Members who are present for sticking around when they could have disappeared this afternoon—I should point out that the consultation process has ended, even though we extended it considerably, and all representations from all parts of the coastguard community as well as from the public and colleagues in this House will be carefully considered.

All the information will be looked at, as will all the concerns. Let us take the costings, for instance. It is difficult for a coastguard representative or member of the Public and Commercial Services Union to work out the modelling costs. That will be undertaken by the Department, and we will publish all the consultation documents on the website. There are a lot of them, and we will publish them online because we do not want to chop down too many trees. We will also reopen the consultation for a very short time to allow for the Transport Committee report to be taken into account when we draw our conclusions. Finally, the Secretary of State has announced that we will make our announcement before the summer recess.

We realise how emotive this subject is. I come from an emergency service background, so I know very well how emotive issues involving the emergency services in general are. I am enormously proud to be an ex-fireman, and it is a great honour and privilege to be the Minister responsible for Her Majesty's Maritime and Coastguard Agency and everything to do with it. The MCA is world-renowned. If my hon. Friend the Member for Truro and Falmouth (Sarah Newton) was not being so nice, I am sure she would want to tell me about the fantastic international work done at Falmouth on behalf of the coastguard nationally in this country.

But we are talking about a co-ordination centre, and we are in the position we are in today because a set of station cuts and closures were made over a series of years. I do not think anybody in the Chamber or in the country would claim that the current structure has any logic at all. I have gone around the country visiting stations, and my chief executive, Sir Alan Massey, has been to every single coastguard station during this process, and we have had some robust discussions; I had such a discussion when I was up by Liverpool. Everybody knew that these sorts of changes were coming down the line, however. The previous Government had the current proposals on their desk, and they have been discussed with the PCS for almost two years; I have a record of the dates when those meetings took place, and I myself met and held discussions with PCS representatives before these announcements were made.

We knew in advance, therefore, that we needed a reconfiguration of the coastguard service, so that we have the resilience, training and communication systems that are required, as well as a pay structure that is fit for the 21st century. Anybody who has visited a coastguard station in this country will know that one of the first subjects the staff talk about is pay and career, because £13,500 a year as a basic salary in an emergency service is unacceptable. That is one of the reasons why we are looking at this reconfiguration and realignment of the way the service works. That is a fact; this topic was discussed with me because there was a dispute that I inherited when I first became the responsible Minister,

and which had been going on for several years. It is unacceptable that such a dispute went on for such a long time.

We must also look at the geography—at where the co-ordination centres are located. We are talking specifically about the Clyde today. The Clyde station is twinned. The hon. Member for North Ayrshire and Arran might be aware that each of the coastguard stations, apart from the Western Isles and Shetland, is twinned with another station so that they have some resilience. The Clyde station is twinned with Bangor in Northern Ireland, so if the systems go down in the Clyde and the local knowledge—which I accept is there—disappears, Northern Ireland will look after that coastguard area. I have visited Bangor and put the following point to its staff: if local knowledge is so important—and I accept that it does have importance—why are there such huge geographical distances between twinned co-ordination centres? Interestingly, in other parts of the country twins are ridiculously close, such as Brixham and Falmouth. That makes it very difficult to have a national co-ordination facility, and we do not have it; there is no national resilience within the coastguard service in the UK today. We need to look at that.

The very first visit that I made—I know I am going to repeat myself, but some of these comments need repeating—was to Liverpool, on 13 January. A robust and free debate took place, and I do not think I held much back; nor did some of the coastguard representatives, who included volunteers as well as full-time staff. Interestingly, during that debate—the hon. Member for Sefton Central (Bill Esterson) was there—one of the senior members of uniformed staff said to me, "But Minister, we've been talking about nine co-ordination centres for years." I said, "Please put that in writing—be part of the consultation." I also went to Bangor, where a very detailed report was put in.

Bill Esterson: I remember the exchange about the nine co-ordination centres extremely well. It was an informal proposal put forward by members of staff there some years ago. It is important to put it on the record that they had suggested it to the agency at an earlier date.

Mike Penning: That is exactly the point I am trying to make: this has not come out of the blue. The coastguard representatives there, in front of the hon. Gentleman, me and everybody else assembled there, said that they had previously suggested having nine centres around the country. If the hon. Gentleman remembers, I said to them, "I'm talking about eight, you're talking about nine. We're not that far apart, are we?"

On 9 March, I visited Bangor, in the Province, where a detailed presentation and submission was put to me suggesting having 10 centres around the country. As I have said before, three types of submission have been made in this lengthy consultation process. One suggests that we should leave things alone, and that everything is okay. Another says, "Leave us alone", without making any real comment about anybody else. Then, there are the really detailed submissions, such as that from Falmouth, which I also visited. They say, "We know there needs to be change—standing still is not an option. We've said that since day one, when we started the consultation, but actually, we think the figure for the country as a whole should be about 10." There have also been discussions about how many national co-ordination centres, or maritime operations centres, there should be. The suggestion arising from the consultation is two; others have suggested one. I do not think anybody is suggesting that there should be none—at least, not in the detailed submissions. There is no national co-ordination at the moment, and I think everybody accepts it is needed.

We are proud of our extended coastline, and we should perhaps look at how other countries are dealing with their co-ordination centres. I must stress that this issue is purely to do with co-ordination—the wonderful volunteers who carry out the rescues, and the RNLI and others, are not affected. In fact, we are going to enhance those services by providing them with more investment and more full-time staff. So, naturally, when I first looked at our proposal, I examined how other countries with an extended coastline structure their co-ordination centres. I looked at other English-speaking countries that might have replicated our approach, and Australia, for instance, has one centre. Spain, I believe, also has one; Norway has two; France has seven. It is not feasible for us to stand still and say that what we have today, in this ad hoc procedure, is suitable going forward.

The consultation was put out and there were discussions with the PCS. These proposals, in one shape or form, have been around for about four years. Evidence was given to the Select Committee, and a letter was published in *The Guardian* only the other day from the former chief executive of the MCA, saying that Ministers had fudged this issue for years and it had not been addressed. We are determined to bring the coastguard service and the MCA into the 21st century—to have a fully resilient service with a pay and career structure that is fit for the service and its dedicated staff.

Sarah Newton (Truro and Falmouth) (Con): I am grateful to the hon. Member for North Ayrshire and Arran (Katy Clark) for securing this debate. I very much welcome, as I am sure coastguards all around the UK do, the fact that this was a genuine consultation exercise. You have repeatedly said that the current proposals are not a done deal and the Secretary of State underlined that only a few weeks ago. It would be of enormous help to coastguards in Falmouth and all around the UK if you could share with us what is going to happen once your response to the consultation is published—you promised this before the recess. Will alternative proposals be introduced? If so, will they be further consulted upon?

Mr Speaker: I cannot share anything and I cannot offer any response, but I have a feeling that the Minister might.

Mike Penning: Thank you, Mr Speaker. I am sure that we understand exactly what my hon. Friend is trying to say to the House.

It is very important that we understand exactly what the Government's position has been from day one. Of course I am going to be accused of doing U-turns, cartwheels and so on, but I said, and the Secretary of State said, that these proposals were not set in stone and that the consultation is a proper one. We said that we wanted everybody to be fully involved in the future of

[Mike Penning]

the coastguard service. I said from day one that what comes out the other end of this consultation process will not be what we go in with, but that we cannot end up with the status quo. The service has to modernise, it has to have proper resilience and it must be fit for the 21st century.

Katy Clark: I asked a number of questions about the criteria that were used. The Minister might not be able to give a response today, but will a response be given at the end of this process outlining the basis on which decisions are being made? It is not at all clear to those working in the coastguard service why particular stations have been chosen and others have not, so will the criteria be made publicly available?

Mike Penning: Of course. I was still responding to the intervention made by my hon. Friend the Member for Truro and Falmouth and when I have finished dealing with it, I will discuss the points that the hon. Lady has raised. In that intervention, I was asked specifically what will happen later in the process. We will announce our proposals once we have taken into consideration the Select Committee's report. That means that I will have to reopen the consultation, but I stress that that will be just to allow that report to be taken into consideration. If I did not do so, I would be insulting the Select Committee and there is no way I intend to do that. The Government will announce their conclusions before the summer recess—as we have said all the way through, they are likely to be different—and then I will reopen the consultation. That is the right and proper way to proceed if we want to work with the public, with the service and with Members of this House. It is different from the way in which a lot of consultations have historically been carried out over the years, but I do not think this will be a one-off; I think that the Government will take this approach on a regular basis. I recall a consultation on my local general hospital in which 85% of respondents said they did not want the hospital to close, yet it was closed in any case. No consideration was given to people's concerns. Does this approach mean that everybody is going to be happy? No, of course it does not. However, proper consultation will take place again once we put forward our proposals.

John McDonnell (Hayes and Harlington) (Lab): I apologise for arriving so late to the debate and I am grateful to the Minister for giving way. It would be very helpful if he gave a commitment at the start of that consultation to avoid compulsory redundancies at every stage in the process from there on in.

Mike Penning: I hope that there would not be compulsory redundancies, but I cannot give that commitment and I am not going to stand at this Dispatch Box and mislead people. The PCS has known that all the way through. It is important to understand that there will be job losses if we reduce the number of co-ordination centres, although I hope that such job losses will not be compulsory. I have gone through redundancy, despite my union fighting to help me, so I understand where people are coming from. However, if I am going to increase salaries, training and career prospects, I have to find that money from somewhere and that money will come from the savings we are finding. There are quite significant costs up front, particularly for the resilience we want to put into the system. The Treasury has been generous and I have money, but I cannot carry that forward—I must make savings. To be fair, the union—

Dr Whiteford: Will the Minister give way?

Mike Penning: I want to clarify the point that the hon. Member for North Ayrshire and Arran mentioned in her intervention, because if I am not careful I will not finish one intervention before I take another. I know we have a few hours, but everybody will understand if we do not speak for the whole time.

It is really important that we do not get bogged down by the fact about the Select Committee because, as anyone who has been a Minister knows, a civil servant cannot go before a Select Committee and criticise Government policy. That is not the protocol; it is not what happens. The job of a civil servant, if they go before a Select Committee, is to support Government policy. That is why civil servants at the grade of those we are talking about do not go before Select Committees. I took advice from the Cabinet Office and I ensured that we were in absolutely the right position. I bent over backwards to ensure that the Select Committee could go to any station it wished and talk to any member of staff, but I could not have uniformed staff criticising Government policy. They are fully entitled to fight through their union representatives for what they think is right, but a Select Committee is not the right and proper place to do that. Anybody who has served as a Minister knows that. We can go back through Westland if we want, and see those differences.

Dr Whiteford: I agree with the Minister that it is very important that we have a coastguard service that is fit for the 21st century, but I would put it to him that all the other emergency services in Scotland are devolved and one way to protect smaller stations, such as Inverclyde, might be to amend the Scotland Bill to devolve the operation of the coastguard agency in Scotland. That would mean that the services could properly address our vast coastline, in line with people's expectations in Scotland.

Mike Penning: I do not want to disappoint the hon. Lady, but the Scottish National party has absolutely no chance of my breaking up a national emergency service such as this one. That will not happen. If we go down the avenue of saying that we can break up the service and that it can be operated in a completely independent little station, we will move completely away from the needs of the service. The service needs national resilience. If we do not have that, we are not offering the service that our constituents—including the hon. Lady's constituents—deserve. It cannot happen.

When I visited the Western Isles, I saw that when the power goes down—I understand that it does so on a fairly regular basis—volunteers go up to the wireless towers on the hills and operate them manually. That is the situation we are in in the 21st century. There was a lightning strike at Falmouth and they luckily managed to keep going, but there is no proper resilience to lock in the service. In our part of the world, the police love the VHF system we operate because they operate on Airwave and although we use some of it we have a very good radio system. However, what we need is networking.

I am sure that the hon. Member for North Ayrshire and Arran is aware that at Clyde we have a hub that comes into the existing building, but we cannot stay in that building. That is one reason for the decision. We have talked about costs, and of course costs are involved—there is no illusion about the fact that costs are involved and there would be significant costs if we had another station in Clyde that was not in that building. Even if we stayed in that building, there would be considerable costs, and we cannot do so, as the Ministry of Defence has decided that it wants to be gone from that building in Clyde by 2013. We will have to move from that building. There are significant costs that we will publish and put out there, but I am in the middle of the consultation and I will not jeopardise that. Judicial review or something similar could be pushed against me if I broke into the consultation in the middle of it. I am trying to be as open as possible.

Bill Esterson: I assume that the Minister has finished with the previous interventions. Let me make a few points about learning lessons regarding future consultations and advice. First, there is grave concern among coastguard officers that at one point he advised them that they could give evidence in public to the Select Committee.

Mike Penning: No, I did not.

Bill Esterson: Well, he will get his chance in a moment to answer my points, but that has categorically been stated by a number of coastguard officers. I think there is a lesson to learn there about the advice given by Ministers.

The other point is that we should listen to front-line staff when drawing up proposals on such important issues as these emergency services and we should include their ideas. The Minister mentioned what happened at Crosby when he visited: the ideas of those staff were not put into the consultation document and were not part of the proposal, and that is of concern to staff there.

Mr Speaker: We are extremely grateful to the hon. Gentleman. The Minister is winding up the debate on the future of Greenock coastguard station.

Mike Penning: May I just place it on the record that I openly said at Crosby and as I went around the country that I wanted coastguards and the public to engage? I am quite careful about my words, even though I regularly speak without notes, as I am doing now, and I did not say that those staff could give evidence to the Select Committee in oral session, but I did say that they could submit written evidence. I also said that to the Chair of the Select Committee when I went before it last week in what was also an interesting session.

I have just been informed, a few moments ago, that there will be another Adjournment debate on this issue—on a slightly different subject very close to this one—for an hour and a half next Tuesday morning. It is key to this issue that we make sure that things are done correctly and I am willing to take into consideration all the submissions, but keeping the status quo is not an option. Nearly every detailed submission has accepted that and it was accepted by the previous Administration before I became the responsible Minister. I have been very impressed by the time and effort that many of the stations have taken not just to say, "Look after me, guv," or "Protect me," but to suggest what the service needs to look at and look like in the 21st century, and I pay tribute to everyone who has submitted evidence to the consultation. It will reopen just to allow the Select Committee report to be considered, and the Government will make an oral statement to the House before the summer recess on the future of the MCA.

Question put and agreed to.

6.7 pm

House adjourned.

House of Commons

Thursday 9 June 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Secretary of State was asked—

Engineering and Manufacturing Careers

1. **Simon Hughes** (Bermondsey and Old Southwark) (LD): What steps he plans to take to encourage young people to take up careers in engineering and manufacturing. [57776]

8. **Gordon Birtwistle** (Burnley) (LD): What steps he plans to take to encourage young people to take up careers in engineering and manufacturing. [57784]

The Secretary of State for Business, Innovation and Skills (Vince Cable): We are funding STEMNET, a programme that encourages young people to look at the possibilities offered by science, technology, engineering and mathematics—STEM—study and employment; we are providing a £180 million package that will see 50,000 new higher apprenticeships in sectors including STEM-related industries; and, of course, the main incentive is good manufacturing jobs, which is why I welcome the announcements yesterday and today from Nissan and BMW of large new investments in British manufacturing industry.

Simon Hughes: I obviously welcome my right hon. Friend's interest in both areas and the interest of organisations such as Engineering UK, which has a fantastic route map on its website, showing exactly what one has to do to get from school into engineering. May I encourage Ministers, however, to work with the Department for Education to ensure that, as part of the engagement between employers and schools, we also have one-to-one and face-to-face careers advice for school leavers, so that they receive personalised support in the choices that they make?

Vince Cable: Yes, my colleague is absolutely right. Indeed, I was at the Royal Academy of Engineering during the week, talking about how we strengthen that interface between education and the engineering industry, and as regards the careers service my colleague the Minister for Further Education, Skills and Lifelong Learning has already written to schools, reminding them of their statutory responsibilities under the new careers service as it develops.

Gordon Birtwistle: Does the Secretary of State agree that careers advice should start at age 12, be delivered by experienced professional and independent advisers, and be available throughout every year of education?

Vince Cable: Again, my colleague is absolutely right. The careers service is fundamentally important. My Department and, in particular, my colleague the Minister for Further Education, Skills and Lifelong Learning are talking to careers professionals about how to roll out a properly accredited system of careers advice and, indeed, about co-locating careers advice with the Department for Work and Pensions and Jobcentre Plus in order to ensure that the service is properly integrated.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Secretary of State agree that Members should set an example to young people with an interest in manufacturing, and will he encourage all Members from all parts to join the campaign Made by Britain, whereby we find innovative, imaginative and new products in every constituency in the country and put them in a virtual Crystal Palace to show that we can still do manufacturing in this country?

Vince Cable: The hon. Gentleman has already described his scheme to me, and it sounds an exciting project. I have identified several potential candidates in my constituency, and it sits alongside many other very good initiatives that are taking place, including for example the engineering prize, which is being launched with the support of leading UK companies.

Ian Lucas (Wrexham) (Lab): I join the Secretary of State in welcoming the tremendous news this week of the excellent investment from BMW Mini and Nissan. That of course builds on the initiatives of the Automotive Council, which has been so successful and was set up by the previous Labour Government. Also set up by the previous Labour Government was Manufacturing Insight, an organisation dedicated to bringing young people into engineering and manufacturing, which this Government have scrapped unfortunately. Why did the Secretary of State make that decision?

Vince Cable: I am not sure I should take lectures on manufacturing industry from a representative of the party that presided over the biggest decline in manufacturing of any major country, but none the less the hon. Gentleman is right that there are some good legacies. One of them is the Automotive Council, which works extremely well and contributes very positively to the supply chain. I welcome that.

Apprenticeships

2. **David T. C. Davies** (Monmouth) (Con): What steps he is taking to reduce the burden of administration on employers offering to take on apprentices. [57777]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): George Sand said:

"Simplicity is the most difficult thing to secure in this world".

Nevertheless we are working with employers and their representatives to challenge the requirements and processes imposed on employers taking on apprentices. We have identified a number of areas where we will streamline or remove unnecessary bureaucratic processes, demonstrating that the Government are absolutely committed to beating bureaucracy and to breaking down barriers wherever we find them.

David T. C. Davies: I thank the Minister very much for that. Does he agree that, to many people, high-quality vocational courses will offer a far better route to gainful employment than a meaningless degree somewhere?

Mr Hayes: For too long we have assumed that the only route to accomplishment is through academic prowess. I believe that practical, technical and vocational competence not only serves economic need, but instils the purposeful pride that enriches lives, cements communities and builds a better Britain.

Valerie Vaz (Walsall South) (Lab): A director of Sirus Automotive who lives in my constituency would like to take on apprentices, but he has had his grant of £129,000 from Advantage West Midlands cut. Will the Secretary of State look into that to see why, as this is committed spending, his grant cannot be paid to him so that he can take on more apprentices?

Mr Hayes: I will be more than happy to look into that matter on behalf of the Secretary of State. It is absolutely right that that where there are barriers of the kind that I mentioned a moment ago, we identify and overcome them. I would be happy to talk to the hon. Lady on that basis.

Green Investment Bank

3. **Simon Kirby** (Brighton, Kemptown) (Con): How many jobs in low-carbon industries he expects to be created by the actions of the green investment bank. [57778]

The Secretary of State for Business, Innovation and Skills (Vince Cable): The green investment bank will be a key element in financing investment in the green economy. It is not possible to estimate the number of green jobs it will help to create, but this sector in the UK is already substantial and employed around 910,000 people in 2008-09. A total of £3 billion of funding has been made available to the green investment bank from 2012 and could mobilise an additional £15 billion in private sector investment.

Simon Kirby: I thank my right hon. Friend for his answer. Will he consider locating the green investment bank in the most excellent city of Brighton and Hove?

Vince Cable: I thank my hon. Friend for his question. I know from other interventions of his deep and genuine interest in environmental issues. We already have quite a long bidding list for cities that wish to attract the green investment bank, and I am very happy to add Brighton to it.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The answer to the last question is no.

The potential for low-carbon industries comes not only from the green investment bank, important though that is, but from the skills base and getting businesses ready to take this opportunity. What are the Government doing to ensure that throughout the UK the skills base will be there and business will be able to take advantage of the potential of the green investment bank—particularly, of course, when it is situated in Edinburgh?

Vince Cable: I know that the hon. Gentleman too has a long-standing and active involvement in environmental issues. He is right to say that it is not simply a question of investment but of skills. That is why, as part of the expanded apprenticeship programme, we have specifically set aside resources for those working in the green economy, particularly regarding the skills that are required to implement the green deal.

Employment Law

4. **Alun Cairns** (Vale of Glamorgan) (Con): What steps he is taking to ensure that employment law supports business competitiveness, job creation and sustainable economic growth. [57779]

11. **Julian Smith** (Skipton and Ripon) (Con): What steps he is taking to ensure that employment law supports business competitiveness, job creation and sustainable economic growth. [57787]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): My Department is leading a comprehensive review of employment-related laws across Government to remove burdens from employers and ensure that our labour market operates effectively. Our consultation on resolving workplace disputes, for example, closed on 20 April, and we will be coming forward with our proposals in the autumn.

Alun Cairns: Does the Minister agree that there is a need to reduce employment regulation following Lord Young's excellent report which talked about businesses operating within a climate of fear; and what progress is he making in reducing red tape in general?

Mr Davey: I am grateful for my hon. Friend's question. I met Lord Young to discuss his views, and he explained that in his meetings with business people they talked about the reality and the perception of red tape, particularly in relation to employment law. We are therefore tackling both aspects with our proposals to reform employment tribunals, our moratorium for micros, and the review of sickness absence and compliance and enforcement regimes. We also published the employers charter to show that the legal position is not as frightening as some employment lawyers would have firms believe.

Julian Smith: Are other Departments fully engaged with the employment law review? Which Minister is leading this across Departments? Does the Minister agree that in order to address this issue fully we need all Departments, not just BIS, to be engaged with it?

Mr Davey: I agree with my hon. Friend. We have written to other Departments that are going to work with us on this. It is very important that it is a cross-Whitehall review, and it will last the whole Parliament long because we are determined to make a real difference.

Jack Dromey (Birmingham, Erdington) (Lab): On a day when BMW announces £500 million of investment in Britain, safeguarding 6,000 jobs—the result of co-operation between the union Unite and a world-class company—is it not time for the Secretary of State to stand up to his backwoodsman Back Benchers, who would seek to demonise workers, and instead to celebrate modern trade unionism as a force for good?

Mr Davey: I think the hon. Gentleman is referring to press reports of the speech by my right hon. Friend the Secretary of State to the GMB. I am afraid that if he reads that speech he will see that my right hon. Friend repeated the Government's line, which has been the case since we were elected, that we wish to engage positively with trade unions. That engagement is paying dividends.

Kerry McCarthy (Bristol East) (Lab): Does the Minister accept that it is counter-productive to create the impression that things such as maternity rights, employment protection, the minimum wage and health and safety laws are burdens on business and not essential to ensuring that companies operate in the best interests not just of their balance sheet but of their workers?

Mr Davey: I refer the hon. Lady to the consultation that we published just last month on modern workplaces. We wish to reform maternity and paternity law, which we believe will be a win-win for employees and employers. It will produce better rights for families than the previous Government provided, and provide more flexibility for employees and employers so that they can have adult conversations about how such leave should be taken.

Bank Lending (Small Businesses)

5. **Nigel Mills** (Amber Valley) (Con): What recent assessment he has made of the level of lending by banks to small businesses. [57780]

The Secretary of State for Business, Innovation and Skills (Vince Cable): Figures published in May by the Bank of England show that the UK's five largest banks lent £16.8 billion to UK small and medium-sized enterprises in the first quarter. That fails to meet the targets in the Merlin agreement and is obviously disappointing. We will continue to monitor lending closely over the year. We reserve the right to revisit the agreement if banks continue to miss the targets.

Nigel Mills: Many small businesses in my constituency complain that when they ask banks about funding, they are told not to bother applying because it would only attract interest in their existing facilities and that those may well be withdrawn instead. What can the Government do to stop banks doing that and then claiming that they cannot meet the targets they have agreed to because of a lack of applications?

Vince Cable: There is a lot of evidence that some banks are genuinely trying to change their culture of lending. I referred to that point in a productive exchange in the Business, Innovation and Skills Committee yesterday. The banks have come forward with a new code of practice to be operated through the British Bankers Association, which allows, for example, for a banking ombudsman to deal with complaints of the kind to which the hon. Gentleman rightly referred.

Mr Pat McFadden (Wolverhampton South East) (Lab): There is a genuinely difficult problem of trying to get highly over-extended banks to lend to small and medium-sized businesses. The Secretary of State was very critical of the previous Government's performance on this issue. He said that the banks ran rings around that Government. Given that the first indications on Project Merlin show a £2.2 billion shortfall between what the banks are doing and what the Government agreed they would do, how would he describe the performance of his Government on bank lending?

Vince Cable: Of the leading Merlin banks, two have met their targets, which demonstrates that the demand is there for banks that are able and willing to change their culture of lending. Of course, we have taken the previous Government's arrangements further by bringing private banks that are not owned wholly or partly by the taxpayer into the agreement. They are undoubtedly taking it seriously, and we are making it absolutely clear that we expect the agreement to be delivered and that the volume of lending to SMEs will increase.

Michael Fallon (Sevenoaks) (Con): Will my right hon. Friend reassure us that he is ready to do a little more than just monitor this situation? In particular, he should not allow banks to get away with the excuse that the demand is not there, when it is the price of the loan and the terms attached to it that are so often too difficult for struggling small businesses who need the credit.

Vince Cable: My hon. Friend is right that there is a problem of discouraged demand. We have just launched a major survey to drill down a little further into the complex facts of bank lending and to find out how serious the problem of discouraged demand actually is. However, this is not just a question of monitoring the situation. A key element of the Merlin agreement is that senior executives in the banks will have their remuneration linked to their performance on small business lending. I am currently insisting that they provide more information about how those incentives work.

Mr Geoffrey Robinson (Coventry North West) (Lab): The Secretary of State must realise that the Merlin agreement is a busted flush and that no good is coming from it. The continuing failure of the banking sector to meet the minimum targets, meaning that there continues to be no new net lending, is really not acceptable. As the hon. Member for Sevenoaks (Michael Fallon) has just said, the terms and conditions for the loans that are being made are often very penal. Can the Secretary of State get into that? There is no point in monitoring it; we want him to examine what is going on and to come forward with concrete proposals to improve the situation.

Vince Cable: That is exactly what I am doing, as I explained to the right hon. Member for Wolverhampton South East (Mr McFadden). Before the hon. Member for Coventry North West (Mr Robinson) writes off what we are doing, he should consider the undoubted benefits that have already flowed from it. The banks have put £2.5 billion into the business growth fund to provide equity, which is the kind of issue that he was exercised about when he was a Treasury Minister. That problem has now been dealt with.

Lorely Burt (Solihull) (LD): The Forum of Private Business is calling for a return to the traditional bank manager model, and some banks are in fact now doing that. What can we do to encourage banks to give small businesses individual attention, increase the autonomy of bank managers to make decisions and get rid of the culture of "computer says no"?

Vince Cable: My colleague puts the point extremely well. What we are dealing with is not a short-term problem but the long-term issue of how to change the culture of banks. One bank in particular, Lloyds, which I think I mentioned yesterday, already has SME lending on its monthly board meeting agendas, and the system of incentives is being changed to create more of that type of relationship management. Crucially, there are new banks entering the market that have exactly the focus that she describes. Competition, ultimately, will help to solve the problem in a major way.

Mr Chuka Umunna (Streatham) (Lab): We were told that monitoring would be carried out with the assistance of the Bank of England, yet the Governor himself said in March:

> "We're not monitoring. What we are doing is putting up on our website the data that banks submit after a fairly cursory plausibility check."

The Secretary of State also mentioned CEO pay, which we were told would be linked to the lending targets, yet he failed to check how that would be delivered before he finalised Merlin. Is it any wonder that the banks are already failing to meet their obligations, when the Secretary of State waved through an agreement without teeth?

Vince Cable: First, I congratulate the hon. Gentleman on his new role on the Front Bench. He is a very articulate commentator on economic matters, and I look forward to exchanging views with him.

The Bank of England plays an important role in the monitoring process. Of course the banks' data are aggregated, but the Bank provides an independent assessment of progress under the agreement, which is important to the credibility of that agreement. Of course, it has pointed out that there has been a failure of lending in the first quarter.

On the wider question of meeting lending objectives, we were assured when the Merlin agreement was signed that senior executives' incentives would mean that their remuneration was significantly greater than the share of small business lending on their balance sheets. We are now trying to establish in detail exactly what that means for individuals, and we have insisted that more lending be forthcoming.

Offenders (Skills)

6. **Mr David Burrowes** (Enfield, Southgate) (Con): What steps he plans to take to provide relevant skills to offenders to enable them to find work when they leave prison. [57782]

16. **Mr David Nuttall** (Bury North) (Con): What steps he plans to take to provide offenders with relevant skills and training in order to help them find work when they leave prison. [57794]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): On 18 May, to great acclaim, I launched "Making prisons work: skills for rehabilitation", the report on offender learning that I commissioned last summer. It sets out a substantial programme of reform to increase the positive impact of offender learning on reoffending rates and on former prisoners' capacity to reintegrate successfully into civil society.

Mr Burrowes: The Minister will be aware of the good work of National Grid in providing work opportunities to offenders upon release. Does he recognise the common complaint that too many offenders have not been trained with the right work skills to make them employable on release? What are the Government going to do about that?

Mr Hayes: Yes, I do recognise that, which was why, in the review that I published, we put the emphasis on employability skills. For someone to leave the life of crime, another life must pay for them, which means getting and keeping a job. I met National Grid this week, actually, to discuss skills issues, and I congratulate it on its work and my hon. Friend on championing the issue.

Mr Nuttall: Does my hon. Friend agree that the longer the period for which an offender is able to benefit from training programmes, the more likely it is that they can acquire the skills necessary to find work when they leave custody?

Mr Hayes: I learned early on never to stray outside my purview or pitch above my pay grade. Suffice it to say that progression is critical, so what people learn in prison must be progressive. They must be able to take up and complete their studies when they leave, so that they can get qualified, get a job and get on.

Graham Stringer (Blackley and Broughton) (Lab): In Strangeways, in my constituency, which I have no reason to think atypical, 80% of prisoners are illiterate. Would not the biggest impact that this or any other Government could make be to have an intensive literacy programme for prisoners? That is the best way to get them back into work.

Mr Hayes: Yes, I agree. If the hon. Gentleman studies my report, he will see that prior attainment tests, which ensure that what we do in prisons matches real need, and the concentration on core skills that he describes, are critical in ensuring value for money, but also in ensuring that people get value from what we spend. I agree that core skills are critical, and they will form an important part of what we do from now on.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Citizens advice bureaux have successfully piloted financial capability projects to aid the rehabilitation process. What plans does the Minister have to roll out that provision, because it could play a vital role in reducing reoffending rates?

Mr Hayes: I suspect that the hon. Gentleman has studied that matter rather closely. If he would like to come and speak to me and my colleagues about that particular aspect of offender learning, I would be happy for him to do so. He is right that those life skills, as well as the core skills and the employability skills that we have described in this short discussion, enable people to reintegrate into civil society in a way that is good for them, but also good for all of us because we must tackle recidivism.

Bank Lending (Retford)

7. **John Mann** (Bassetlaw) (Lab): What discussions he has had with representatives of banks on the performance of banks in lending to businesses (a) in Retford and (b) nationally. [57783]

The Secretary of State for Business, Innovation and Skills (Vince Cable): I regularly have discussions with senior representatives from all the major banks, as well as smaller and specialised lenders, at which we discuss their lending to small businesses, but sadly, not yet in Retford.

John Mann: As the Secretary of State knows, Retford is the barometer of his Government's success or failure with the economy and the news is not good, because small businesses are being bled dry by the banks, which are failing to lend. When they do lend, they do so at excessive costs, including the excessive use of invoice financing. It will be too late for small businesses if the Secretary of State does not wake up and do something about that as they will go out of business. What will he do?

Vince Cable: The hon. Gentleman's constituency may well be a barometer of Government performance, but he has obviously overlooked the fact that in it, 19 businesses were offered loans, backed by the enterprise finance guarantee, totalling almost £2 million. That is help in a purely practical sense.

The hon. Gentleman makes a specific point on types of financing. Because of the difficulties of lending against property, the emergence of forms of lending against assets or future transactions is actually a positive diversification of finance.

Green Investment

9. **Tom Greatrex** (Rutherglen and Hamilton West) (Lab/Co-op): What assessment he has made of the potential effect on economic growth of green investment; and if he will make a statement. [57785]

The Secretary of State for Business, Innovation and Skills (Vince Cable): The green economy will make a major contribution in the longer term to economic growth, because of the stimulus it provides to demand in green activities. However, energy-intensive industries are also an important part of our economy.

Tom Greatrex: The Secretary of State referred in his answer to the contribution that traditional heavy industries such as the Clydebridge steelworks in my constituency, which manufactures significant components of offshore wind turbines, can make to green investment. However, given his comments, what reassurances can he give to the House that the introduction of measures such as the carbon floor price will not disadvantage energy-intensive industries, which could have a significant effect on green growth in the economy?

Vince Cable: The hon. Gentleman is absolutely right to draw attention to that problem. I have had extensive discussions with the steel industry, and also with the ceramics and chemicals industries, which can be affected by precisely that problem. My colleague the Secretary of State for Energy and Climate Change made it clear in his recent statement that we are looking at a package of measures, in consultation with industry, that will hopefully help it to deal with the higher costs of electricity.

Miss Anne McIntosh (Thirsk and Malton) (Con): The Secretary of State recently announced the green investment bank, but obviously the capitalisation amounts are very small. Will he assure the House that small companies in Thirsk, Malton and elsewhere will qualify for capital loans from the green investment bank?

Vince Cable: I would not regard £3 billion as a small capitalisation—it is very substantial, and hopefully it will mobilise an additional £15 billion in this Parliament from the private sector. There is a question over how we develop the capacity of that bank, but the hon. Lady is right that we must take account of the ability of small companies to participate in the supply chains of the big bids that will undoubtedly be made under the GIB proposals.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Our embryonic solar power industry has huge concerns about the Government's current policy on feed-in tariffs. If the Minister cannot assure me that he has consulted industry representatives, will he consult them?

Vince Cable: I have had consultations with the industry, although of course the primary responsibility rests with my colleagues in the Department of Energy and Climate Change. There is a particular problem with the large-scale solar power suppliers because of the subsidy element and the ability of Government to continue to support it, but certainly small-scale solar providers are helped under the feed-in tariff arrangements and we are looking at the wider implications for the industry.

Ian Swales (Redcar) (LD): Does the Secretary of State share my concern that the large-scale bioethanol plant in my constituency has been taken offline for a number of months, and will he do everything that he can to support the anti-dumping action being taken by the bioethanol industry? Will he also ensure that the Department for Transport does not repeat the mistakes of the previous Government in dragging its feet on implementing renewable fuel obligations?

Vince Cable: My colleague has been assiduous in supporting this important activity in his constituency. I am well aware of the problem, which is low-cost ethanol coming from the United States and apparent dumping practices—although that remains to be established. I have made representations to the European Union, which of course deals with trade policy matters, to ensure that this is properly dealt with under our trade policy instruments.

Regional Growth Fund

10. **Emma Reynolds** (Wolverhampton North East) (Lab): What progress has been made on the second round of allocations from the regional growth fund; and if he will make a statement. [57786]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): The second round of the regional growth fund is worth just under £1 billion and bids must be received before 1 July 2011. Applicants are able to attend a series of road shows, which offer specific advice and support to prospective bidders. These road shows have been well subscribed with some 1,100 people already having applied.

Emma Reynolds: I thank the Minister for that answer. The black country did not receive a single penny from the first round of the regional growth fund, and smaller regional development agency grants have been withdrawn. Can he reassure me that the needs of local businesses in the black country will be taken into account in the second round?

Mr Prisk: I cannot pre-empt the panel's decisions, because they must be based on merit, but I am sure that some excellent bids will come from the black country area. I encourage the hon. Lady and applicants from the area to speak to the RGF team to enable them to hone their applications and ensure that they have a strong chance in the second round.

Andrew Bingham (High Peak) (Con): Despite backing from the local enterprise company, a bid submitted by CP Holdings, the Sir Trevor Osborne property group, to the first round of the regional growth fund, supported by Derbyshire county council and High Peak borough council, was rejected—in my view incorrectly. What support and help are available now as the group bids in the second round to restore The Crescent, which is a grade I listed building in Buxton, and turn it into what would be Britain's first and only genuine spa hotel, creating employment and wider economic benefits across the area?

Mr Prisk: My private office might be less than happy if I suggest I should visit, so I probably should not, but I can say that it sounds like an important bid. It also sounds as if improvements were needed for the second round, and I encourage the applicants—perhaps accompanied by my hon. Friend—to talk to the RGF team so that they can hone their bid and the spa can be successful in the future.

Mr Gordon Marsden (Blackpool South) (Lab): Has not the regional growth fund story so far been one of too far, too fast, with the RDAs scrapped and funding shredded by two thirds? Now it is too little, too late, as local enterprise companies have been denied RDA assets or proper bid resources, in whole areas of England small businesses have been excluded from a 10-times oversubscribed first round, and no extra money has been put in the budget—we would have given £200 million more from a bankers' bonus tax. The rejection letter that nine out of 10 RGF applicants received from the Department told them that they could

"request limited feedback on your unsuccessful bid".

What new limited feedback will the Minister's officials have for those missing out this time?

Mr Prisk: I have already spelled out to the House the opportunity for prospective bidders to make applications to renew their bids, and they are doing that now. I am sorry that the hon. Gentleman thinks that that does not have any merit. It is fascinating to be criticised by the Opposition for going too fast. The first round was successful, and we levered in some £2.5 billion of private sector investment—a 5:1 ratio on public investment. If the Labour party is not happy with that, it needs to re-examine its priorities.

British Manufacturers

12. **Chris Skidmore** (Kingswood) (Con): What steps he is taking to support British manufacturers. [57789]

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): The coalition Government passionately believe that modern manufacturing is vital if we are to grow and rebalance the economy. That is why, for example, we are investing more than £50 million in the manufacturing advisory service; substantially expanding the number of apprenticeships, as the Secretary of State pointed out; and actively backing manufacturing research and development through our £200 million programme of technology innovation centres.

Chris Skidmore: Next week marks the topping-out ceremony for the first building at the Bristol and Bath science park, which is a £300 million high-value manufacturing centre in my constituency that will generate more than 5,000 new jobs. Will the Minister congratulate the science park on its current progress? What assurances can the Government give the park that we are absolutely committed to high-value manufacturing?

Mr Prisk: I am delighted to be able to do that. In fact, I was able to do so earlier this week, when the Department launched a new showcasing of composite technology. The national composites centre based at the science park in my hon. Friend's constituency is an excellent example of UK technological excellence. We have invested £16 million in that centre, and it has our full support and encouragement.

Jim Shannon (Strangford) (DUP): There are clearly changing economic times right across the United Kingdom. What help is there for the British manufacturing industry to take advantage of new green opportunities? Harland and Wolff in Belfast has invested £17 billion in marine wind turbines. Can the Minister assure us that what has happened at Harland and Wolff can happen across the United Kingdom?

Mr Prisk: Absolutely. The point is that we are not only seeking to invest through technology innovation centres but ensuring that our investment in, as it were, the software—the staff, the apprenticeships and the skills—is brought together. That combination of work on the technological side and in skills is crucial. Harland and Wolff is a good example.

Tata Plant (Scunthorpe)

13. **Nic Dakin** (Scunthorpe) (Lab): What steps he plans to take to support those affected by job losses at the Tata plant in Scunthorpe. [57791]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): Of course, we were very disappointed to hear the news. It will be a worrying time for the workers affected, but I reassure the hon. Gentleman that the Jobcentre Plus rapid response service and the Skills Funding Agency are working with Tata Steel to support workers at the Scunthorpe plant.

Nic Dakin: I thank the Minister for his response. It would be good if he or the Secretary of State could come to Scunthorpe to see the situation first hand. Will the Government be bidding for European globalisation adjustment funds, for which the situation in Scunthorpe is eligible?

Mr Davey: I pay tribute to the hon. Gentleman for his efforts. He has met the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), and I am sure that he welcomed the announcement by my right hon. Friend the Secretary of State of the taskforce, on which the hon. Gentleman is serving. It is for the taskforce to come up with ideas not just for the regional growth fund but for European funding. If the taskforce can put together a bid, I am sure that it will get the Department's support.

Andrew Percy (Brigg and Goole) (Con): Members of Parliament across north Lincolnshire are working together closely on this important issue, which affects all of our constituents. Does it not demonstrate that the creation of a pan-Humber local enterprise partnership, which was recently agreed, is a positive step forward? We now need to send in our application and hopefully get Government approval for this pan-Humber LEP in order to support the renewables industry.

Mr Davey: We were delighted to be able to announce yesterday the decision on a new Humber estuary local enterprise partnership, which I am sure will play a positive role. I am sure that my hon. Friend would not expect me to say whether the enterprise zone will be awarded, but clearly the taskforce and the LEP are in a good position to represent that area.

Apprenticeships

14. **Brandon Lewis** (Great Yarmouth) (Con): What steps he is taking to help young unemployed people find apprenticeship places. [57792]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): In the Budget, we announced a further 40,000 apprenticeship places targeted at young unemployed people. That will be the catalyst for sustained joint working by the National Apprenticeship Service and Jobcentre Plus to maximise apprenticeship opportunities through contact with employers and client referral.

Brandon Lewis (Great Yarmouth) (Con): With business organisations and colleges in Great Yarmouth and Norwich doing their best for people in Norfolk and Great Yarmouth, what can the Minister do to ensure that the most disadvantaged people there continue to have good access to community learning?

Mr Hayes: I am pleased to be able to tell my hon. Friend in the House that the National Apprenticeship Service will be delivering training on apprenticeships to Jobcentre Plus staff in Great Yarmouth on 22 June. I would like to invite him to be there on that occasion to see just how we can make available to people the kind of opportunities that he has championed with such vehemence.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): What is the Minister's strategy for getting more girls into apprenticeships in science, engineering and technology, where they are woefully under-represented?

Mr Hayes: I share the hon. Lady's concern about that, and I have met the National Apprenticeship Service specifically to discuss opportunities for girls in such subjects. She will know that the wage return on apprenticeships in those areas tends to be higher than in other areas, so there is an added disadvantage to the fact that young women tend not to go into STEM subjects—science, technology, engineering and maths. I am working on that, and will report back to the House further on progress.

15. **Bill Esterson** (Sefton Central) (Lab): What assessment he has made of the potential effect on economic growth of the provision of apprenticeship places; and if he will make a statement. [57793]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): Our research suggests that completed intermediate and advanced apprenticeships both deliver net economic benefits in excess of £100,000 over the learner's lifetime. The 170,000 apprentices who started in 2008-09 will therefore generate an additional £13 billion for the economy over their working lives.

Bill Esterson: The National Foundation for Educational Research has shown that the young apprenticeships scheme has been highly successful when it comes to GCSE results and progress into further education, training and, crucially, apprenticeships. If the Minister agrees that apprenticeships are such an important part of economic growth, will he reconsider the Government's decision to scrap the highly successfully young apprenticeships scheme, which is good for young people and the economy?

Mr Hayes: The hon. Gentleman is a diligent member of the Select Committee on Education, and he will have heard me say to that Committee just yesterday that I am keen to ensure that the best of what we had in the young

apprenticeships scheme is carried forward in ongoing work. There were cost-effectiveness issues, as I am sure he would acknowledge, but employers, learners and parents say that there was good value in some of what the scheme did. We will take note of that and move forward on that basis.

Mr Peter Bone (Wellingborough) (Con): The issue of apprenticeships is important for the whole House, and for that reason the Backbench Business Committee has at short notice scheduled a debate on apprenticeships this afternoon. Does the Minister welcome the fact that the issue will be debated this afternoon?

Mr Hayes: Any opportunity that this House provides me to champion the cause of apprenticeships is to be celebrated, and celebrated this afternoon it will be.

Mr Speaker: We are all delighted to bring a bit of joy into the Minister's life.

Adult Learning Provision

17. **Bob Blackman** (Harrow East) (Con): What steps he plans to take to target adult learning provision on those who most need support. [57795]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): It is a joy to answer successive questions, Mr Speaker.

Support for those in greatest need is the key priority for this Government and our skills strategy. We have protected funding for basic skills and provision for the unemployed, we have targeted entitlements to help those in most need, and we are reforming adult and community learning to engage better with disadvantaged people.

Bob Blackman: I thank my hon. Friend for his answer. One of the most disadvantaged groups of people in society are those who were failed by the academic system in their youth. This Government have set their stall out to ensure greater social mobility. What will my hon. Friend do to ensure that those in that group fulfil their potential under his plans for the future?

Mr Hayes: This Government, against all expectations and in the most difficult financial circumstances, protected the budget for adult and community learning. It is no wonder that Alan Tuckett of the National Institute of Adult Continuing Education said:

> "The adult and community learning safeguard is a key platform on which the Big Society can be built."

This Government, true to their word, defended adult learning—the people's policy, the people's Minister, and the people's party.

Heidi Alexander (Lewisham East) (Lab): The Minister has said that it is a key priority for this Government to provide support to those most in need. Sadly, the changes to funding for ESOL—English for speakers of other languages—will take support away from those most in need. The Government have promised an equality impact assessment. When will we see it, and if it is as bad as many of us fear, will he delay the proposed changes?

Mr Hayes: The hon. Lady highlighted these matters in an Adjournment debate, as the whole House will know, and she has made a consistent case on the subject. I did indeed ask for a further impact assessment, because I want to be sure that what we are doing is fair as well as cost-effective. We will bring the results of that assessment to the House before the summer.

Part-time University Course Fees

19. **Kate Green** (Stretford and Urmston) (Lab): By how much on average he expects fees for part-time university courses to change between 2011-12 and 2012-13. [57797]

The Minister for Universities and Science (Mr David Willetts): The majority of institutions have not yet set their fees for part-time courses for 2012-13, so it is too early to tell what average fees will be. From September 2012, eligible new part-time students will have access to loans to cover the cost of their tuition—extra support for part-time students that has been widely welcomed.

Kate Green: I welcome the introduction of loans for part-time students, but for lone parents that often means the loss of income support as a result. Moreover, they will be required to begin repaying those loans before they have completed their academic studies. Will the Minister look again at the proposals, to ensure that no lone parent is financially disadvantaged and put in the position of being unable to complete their course?

Mr Willetts: Our proposal has been widely welcomed. We believe that the number of people who will benefit from support while they are engaged in part-time study will increase from 60,000 to 175,000. Of course, people will repay their loans only when they are earning more than £21,000 a year.

Mr Rob Wilson (Reading East) (Con): Can my right hon. Friend tell the House whether the Office for Fair Access has the power to block fee levels set by universities if they do not agree to access targets?

Mr Willetts: The Office for Fair Access has the power to refuse to permit fees higher than £6,000 if it believes that a university is not doing everything possible to broaden access and if it is not satisfied with its access agreement.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): Fees for part-time students are set to rise significantly, and there is growing concern that the quality of higher education in our universities will suffer as Government cuts begin to bite. The Public Accounts Committee has confirmed this week that the Government's sums no longer add up, and a considerable number of would-be students are likely to be turned away from university this summer because of Government cuts in student places. The Government are chaotic, incoherent and incompetent. Are we not now watching "Fawlty Towers" in Whitehall, with the Minister and his boss the Basil and Manuel of the Government?

Mr Willetts: Let us be clear: the previous Government were planning cuts in higher education support. Under our plans, there will be extra cash going into universities

by the end of the public spending period, compared with the amount going in now, and it will be going into the universities based on the choices of students and the courses that they wish to study. That is the right way for money to reach the universities. The hon. Gentleman should recognise the importance of a vision of universities that provides extra cash and respects student choice and the autonomy of the universities.

Topical Questions

T1. [57801] **Jack Dromey** (Birmingham, Erdington) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Innovation and Skills (Vince Cable): My Department has a key role in supporting the rebalancing of the economy and business to deliver growth while increasing skills and learning.

Jack Dromey: The Government are forcing Advantage West Midlands to engage in a fire sale of £108 million-worth of assets. They are blocking councils from gaining those assets and barring local enterprise partnerships from retaining them, yet they have seen fit to gift Boris Johnson with London Development Agency assets. Why can they not do the same for high-need, high-unemployment Birmingham?

Vince Cable: There is no fire sale of regional development agency assets. There was always a process of disposal of those assets by the RDAs themselves, and roughly 20% of their assets are likely to be sold. The others are being passed on through the different channels, which the hon. Gentleman knows about.

T2. [57802] **Sarah Newton** (Truro and Falmouth) (Con): The Minister will be aware of the outstanding Truro and Penwith college, which is based in my constituency. In recognising the new opportunities to expand its provision of higher education, he will also be aware of the constraints on the ability of further education colleges to award degrees. At the moment, they need a university partner. What support can he offer to excellent FE colleges to enable them to award high-quality degrees?

The Minister for Universities and Science (Mr David Willetts): I support the excellent work of FE colleges in providing higher education in Cornwall and elsewhere. I am concerned, as is the Secretary of State, by reports that some universities might be threatening to end their partnerships with FE colleges without good reason, but I reassure my hon. Friend that FE colleges are indeed eligible to apply for their own degree-awarding powers. In addition, our White Paper will propose making it easier for FE colleges to access a wider range of external degrees.

Mr John Denham (Southampton, Itchen) (Lab): I welcome the good news from Nissan and BMW, which, despite the Secretary of State's curmudgeonly response, built on Labour's support for those companies' investment in the UK. In 2006, he was very clear when he said:

"The DTI, and its army of Sir Humphreys, should be scrapped."

Then he was offered the job of running it, and said that it would be the Department for growth. How is the Department for growth getting on?

Vince Cable: The Department for growth is getting on extremely well. The right hon. Gentleman seems to have forgotten that a change took place after 2006, and that my Department was amalgamated with the one that he used to run. He might want to speculate as to why we took it under our wing. Certainly, growth is taking place. There is rapid growth now beginning to take place in manufacturing and exports. That is a consequence of this Government's determination simultaneously to get on top of the fiscal deficit and to rebalance the economy, and that is happening.

Mr Denham: Actually, the old DTI was merged with my Department. The truth is that in the past year the Office for Budget Responsibility has lowered its growth forecast three times, long-term unemployment has been at its highest since 1997, retail sales are down, construction is in the doldrums and consumer confidence has been at record lows. Is it not the truth that the Business Secretary has wrecked support for the regions, cut consumer protection when prices are rising ahead of wages, talked tough and delivered nothing on bank lending, bungled higher education and produced a growth plan so unconvincing that it is being rewritten as we speak? The Business Secretary is wrong, is he not, to think that his Department cannot make a difference. It could. It is not just the Chancellor who needs a plan B, is it?

Vince Cable: The right hon. Gentleman has a short memory. He does not seem to appreciate that the failed model of growth that we inherited was not simply a question of the budget deficit, as we had a massive problem with consumer debt, which inhibits consumption; we had a massive property bubble, which collapsed; and we had a banking system, the largest in the developed world, that collapsed on us—and we are having to dig our way out. A major rebalancing of the economy is having to take place. It is difficult, it is painful, but as I said in response to the earlier question, that rebalancing is now occurring through the growth of manufacturing and exports and through business investment, which is where it needs to be.

T4. [57804] **Andrew Selous** (South West Bedfordshire) (Con): Small businesses are the engine of growth and jobs for our economy, and all the time that owners and managers spend dealing with red tape is time taken away from expanding their businesses, so what have the Government done to reduce regulation on small businesses?

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I assure the hon. Gentleman that we are spending a huge amount of time on tackling red tape through the red tape challenge, and I can report to the House a little victory. On bank holiday Monday, I attended the EU Competitiveness Council to argue for an exemption for micro-entities from various accounting rules under an EU directive. I am sure that the House will be pleased to know that that exemption passed the Council.

T3. [57803] **Nic Dakin** (Scunthorpe) (Lab): According to the Office of Fair Trading, self-regulation of debt management companies is not working. Does the Minister agree that it is time for the Government to act to protect vulnerable consumers?

Mr Davey: The hon. Gentleman is quite right. He knows that I met him and other members of the all-party group on debt and personal finance to discuss that very issue. He will know of my concern about it, which was shared across the meeting. When we respond to the call for evidence on consumer debt and personal solvency, we will have a lot to say about that very issue.

T5. [57805] **Gavin Williamson** (South Staffordshire) (Con): We all welcome the fantastic news from Nissan and BMW, but we want to see automotive investment in the west midlands. Will the Minister assure the House that he and his officials are doing all that they can to attract automotive investment into the west midlands?

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I am delighted to be able to give my hon. Friend that assurance. He is an assiduous campaigner for the automotive industry in the sector. I am meeting him and other Members in a week or so to discuss the issue. It is important to remember that we have seen improvements in the investment for Jaguar Land Rover, that discussions are going further forward and that investment in 1,500 skilled engineering jobs has taken place. What matters in that context is remembering that under the last Labour Government, 1.7 million people came out of the manufacturing work force—a change that we need to bear in mind when we hear criticism from Opposition Members.

T6. [57806] **Nick Smith** (Blaenau Gwent) (Lab): Given the public outrage at the "quick buck" strategy at Southern Cross, the *Financial Times* says that the future of 31,000 elderly people is in jeopardy. Will the Secretary of State investigate the conduct of the directors and consider whether regulation should be extended to ensure the financial stability of companies that care for our parents and our relatives?

Vince Cable: My colleague the Secretary of State for Health has made it absolutely clear that no resident, whether publicly funded or self-funding, will be left homeless or without care. In other words, the residents will be given priority and the Government have taken the responsibility to ensure that they are protected. As to the company itself, it had a long-standing failed business model. The Minister of State, my hon. Friend the Member for South Holland and The Deepings (Mr Hayes) has been in touch with the banks to ensure that the credit is properly managed in this critical period so that it happens in an orderly way. There is no way in which we can bail out the company, but I have asked my officials to look carefully at the business models of companies that provide public services to ensure that they are stable and that the responsible sector regulators are able to act appropriately.

T10. [57810] **Mr David Evennett** (Bexleyheath and Crayford) (Con): Can my hon. Friend update the House on the agreement reached about Institute for Learning membership fees?

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): As the House knows, this was a contentious issue, but I was able to bring together all the parties involved and they acted with professionalism, goodwill and good faith. This week the Institute for Learning announced that, with the support of the trade unions and the employers—the colleges—a settlement has been reached. I know what you are thinking, Mr Speaker: "Blessed are the peacemakers."

T7. [57807] **Mr Ian Davidson** (Glasgow South West) (Lab/Co-op): Is the Minister aware that many thousands of jobs in Scotland depend on defence contracts? What steps is he taking to ensure that the present constitutional uncertainty in Scotland does not undermine the ability of Scottish firms to bid for Ministry of Defence work?

Mr Prisk: Both my Department and the MOD are mindful of the importance of the long-term contracts to which the hon. Gentleman refers. We are working hard on that, and we have no intention of being distracted.

Andrew George (St Ives) (LD): Every day by which the creation of a groceries code adjudicator is delayed is a further day on which farmers, growers and food producers in this country and in the developing world go to the wall. What reassurance can Ministers give me and, indeed, the House that they will make every effort to ensure that a proposal which has cross-party support is implemented as quickly as possible?

Mr Davey: My hon. Friend, who has campaigned so vigorously and successfully on this issue, will be delighted to know that we published the draft Groceries Code Adjudicator Bill just before the recent recess. We hope that it will be scrutinised by the Select Committee and will attract interest across the House, and we hope to introduce the formal Bill on the basis of that scrutiny.

T8. [57808] **Stephen Twigg** (Liverpool, West Derby) (Lab/Co-op): May I return the Minister to the issue of regional development agency asset sales, about which there is considerable concern in my constituency and throughout the north-west? Can he answer the question put to him earlier by my hon. Friend the Member for Birmingham, Erdington (Jack Dromey)? If assets can be gifted to Boris Johnson and London, why can they not be gifted to the rest of the country?

Mr Prisk: Let me clarify the position. The London Development Agency had already been merged into the Greater London Authority, so the process position was very different from that involving the RDAs. We have ensured that we are able to represent that. I understand the concern, but we are working with local enterprise partnerships, local authorities and local businesses to ensure that they are involved in the regenerations. I have discussed the issue with a number of the hon. Gentleman's hon. Friends who have constituency interests in it, and I continue to listen to and work closely with them.

Mrs Anne Main (St Albans) (Con): May I ask the Secretary of State to look into the Edexcel science modules taken by young pupils? Some of those modules are seriously flawed, which may put people off studying science and technology for life.

Mr Willetts: I will undertake to discuss the matter with my right hon. Friend the Secretary of State for Education, because my hon. Friend is absolutely right. We do wish to encourage young people to study science at school, college and university.

Mr Ronnie Campbell (Blyth Valley) (Lab): Growth, which was mentioned earlier, does not seem to be happening in the north-east of England. Workers at the H A Interiors factory in my constituency have not been paid for nine weeks— although I understand that they were paid their April wages yesterday; I will have to check that. Can the Minister help the company in any way? At least under Labour the workers got their pay.

Mr Prisk: I have already corresponded with the hon. Gentleman on the matter. He is right: we should be concerned first and foremost with the welfare of the workers and their families. I strongly emphasise the need to ensure that ACAS continues to be involved in the process. I hope that my letter to the hon. Gentleman and the news that some of the first payments have apparently been made will prove encouraging, but let us keep the dialogue going.

Richard Fuller (Bedford) (Con): I draw Members' attention to my registered interest in small businesses.

The enterprise investment scheme, which was introduced by the last Government and has been greatly enhanced by the present Government, has increased investment in our early-stage businesses, largely because it provided tax relief for equity investors. Will Ministers consider discussing with Treasury officials whether similar tax incentives can be provided for debt investment in venture capital and early-stage businesses?

Mr Prisk: We have made important reforms to the EIS. The technical reform to which my hon. Friend has referred has been and continues to be examined, but no decisions have been made.

Gordon Banks (Ochil and South Perthshire) (Lab): We have heard from the Secretary of State's own mouth that Project Merlin has fallen at the first hurdle. We also now know that one of the promoters of the business growth fund, Santander, has withdrawn from the fund. What impact will that have on Project Merlin, on the business growth fund, and on growth and investment in the United Kingdom?

Vince Cable: The business growth fund is an extremely promising initiative, filling a gap in capital markets that has been left empty pretty much since the 1920s: the provision of equity for rapid growth mid-cap funds. The £2.5 billion fund is committed to by the main banks, and Santander wishes to pursue its own initiative, which is additional to the fund. The business growth fund is a great success. It was launched in Birmingham—I was there a few weeks ago—and it will achieve a lot for British industry.

Duncan Hames (Chippenham) (LD): I noted the Business Secretary's earlier answer citing the STEMNET project. I hope he is also aware of the work of I'mascientist.org.uk, whose events reach over 10,000 students, with funding of less than £9 per student drawn from charitable and business sponsors. Will he learn from the success of this initiative as a model for the online engagement of students with the futures they could realise through science, technology, engineering and maths?

Mr Willetts: That is a very imaginative suggestion which I certainly undertake to pursue—and will, perhaps, discuss at the Cheltenham science festival this weekend.

Alison McGovern (Wirral South) (Lab): One in 10 people in the north-west of England works in manufacturing, whereas just 3% in London work in manufacturing. The sharp fall in the purchasing managers index last month showed that all may not be well with UK manufacturing. Will the Secretary of State or the Minister therefore confirm that UK Trade & Investment will publish annually the regional impact of its work, so that we can be sure that Government policy works for all economies in Britain?

Mr Prisk: We will go further than that: we are making sure that UKTI is focused like a laser on small businesses in the manufacturing sector. That is why we are changing the budget and the structure, and making sure that in the regions outside the south-east there is a strong network—a strong set of roots—so that we can support manufacturing more effectively than the Labour party did in 12 years in office.

Mr Marcus Jones (Nuneaton) (Con): I recently met business leaders from the Coventry and Warwickshire chamber of commerce. They are extremely heartened by the current review of regulation and red tape, but they are keen to know when there will be tangible changes. Will the Minister therefore tell the businesses in my constituency when they can expect to see tangible progress from this welcome review?

Mr Prisk: I will be delighted to do so. Not only have we got the moratorium exempting small businesses from future regulation, but we have cut by 70% down to 46 the 157 proposals, many of them legacies from the past Government, and only 11 of them will cost business anything at all. We are ending the gold-plating of e-regulations, and we are changing the approach so that we sunset regulation in the future. Each of those steps will make a difference, and I will make sure that we report back to the House each and every year.

Stella Creasy (Walthamstow) (Lab/Co-op): Back in February, the House debated the problems caused by high-cost credit and agreed to consider a cap on the cost of credit. Following that, 15 MPs from across the House wrote to the Minister responsible asking for a meeting to discuss how we might take that decision forward. Five months later, during the recess, he responded, stating that he was too busy to meet us. As the number of people borrowing from these companies rises in all our constituencies every month, will the Secretary of State show some respect for the House and respond to this legitimate issue by agreeing to meet us?

Mr Davey: May I congratulate the hon. Lady on being the Member of Parliament who wants to meet me more frequently than any other? She omitted to tell the House not only that I have met her twice and that she failed to provide the evidence backing up her arguments for which I asked, but that I have met other Members of the House from the coalition parties who are campaigning on this issue, such as my hon. Friend the Member for Chippenham (Duncan Hames) and the hon. Member for North Swindon (Justin Tomlinson).

Business of the House

11.33 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Sir George Young): The business for next week is as follows:

MONDAY 13 JUNE—Remaining stages of the Welfare Reform Bill (Day 1).

TUESDAY 14 JUNE—Consideration in Committee of the Armed Forces Bill.

WEDNESDAY 15 JUNE—Remaining stages of the Welfare Reform Bill (Day 2).

THURSDAY 16 JUNE—Remaining stages of the Armed Forces Bill.

FRIDAY 17 JUNE—Private Members' Bills.

The provisional business for the week commencing 20 June will include:

MONDAY 20 JUNE—Second Reading of the Pensions Bill [*Lords*].

TUESDAY 21 JUNE—Remaining stages of the Scotland Bill.

WEDNESDAY 22 JUNE—Opposition day (18th allotted day). There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 23 JUNE—Business nominated by the Backbench Business Committee.

I should also like to inform the House that the business in Westminster Hall for Thursday 16 and 23 June 2011 will be:

THURSDAY 16 JUNE—A debate on student visas.

THURSDAY 23 JUNE—A debate on the private finance initiative.

Hilary Benn: I am grateful to the Leader of the House for that reply. Given his reputation as a reformer, I was surprised, and I am sure that view is shared by the Procedure Committee, by the Government's rather dismissive response to its report on ministerial statements. Never mind, because the Backbench Business Committee can come to the rescue by giving the House the chance to vote on the proposals, so will the Leader of the House join me in encouraging the Committee to find time for that to happen?

I come now to the forthcoming business and, in particular, next week's remaining stages of the Welfare Reform Bill. On 24 March, I asked the Leader of the House for an assurance that the regulations would appear in good time. He said in reply that

"we will seek to publish the appropriate regulations well in advance so that the House has an opportunity to reflect on them."—[*Official Report*, 24 March 2011; Vol. 525, c. 1100.]

We are now two working days away from Report and we still have no policy and no regulations on how the costs of child care are going to be covered within the universal credit. What does the Leader of the House intend to do about this?

Following Lord Freud's comments this week that spare bedrooms for people in social housing are a luxury, can we have a statement from the Work and Pensions Secretary so that he can confirm that a widow who has lived in the same two-bedroom house all her life now faces having her housing benefit cut, and may therefore be forced to move? If that is the case, where will she be expected to move to? The National Housing Federation says that while 180,000 social tenants in England are "under-occupying" two-bedroom homes, only 68,000 one-bedroom social homes become available for letting each year.

Following Tuesday's written statement on the crisis at Southern Cross, it was reported yesterday that 3,000 jobs are to go there. May we have an oral statement so that the large number of elderly people who depend on these homes for their care can be reassured that they will be looked after come what may?

When will we have an oral statement on the changes to the Health and Social Care Bill that the Prime Minister saw fit to announce this week at Ealing hospital, rather than to the House? Can the Leader of the House give us a very simple assurance? Can he tell us that the Bill will be sent back to Committee in this House, so that we can consider the proposals in detail? It would be unacceptable to do anything else.

Given the extensive briefing from No. 10 this week on sentencing policy, when will the Justice Secretary come to the House to confirm that he has now been overruled by the Prime Minister and that his plans for a 50% reduction in sentence length for all those who plead guilty early, including to sexual offences and violent crime, have been scrapped? When he does come here, can he try to explain why the Prime Minister thought this was a good idea in the first place?

Now that the Public Accounts Committee has confirmed that the Government have made a complete mess of university funding, in particular with their gross underestimation of what universities would charge, when are we going to have a statement from the Minister for Universities and Science about what he proposes to do? When he gives his statement, perhaps he could explain why the long-promised White Paper has now taken longer to gestate than a donkey, which takes 365 days, on average, and almost as long as a camel, which takes 400 days? It is no wonder that the academics of Oxford have no confidence in the Minister.

Talking of shy and overdue White Papers, back in February the Prime Minister proclaimed:

"We will soon publish a White Paper setting out our approach to public service reform...that will signal the decisive end of the old-fashioned, top-down...model".

Bold words those, "soon" and "decisive". What has happened? Nothing. First, this was put off until May and now we hear that it has been delayed until July because of another coalition split. One Lib Dem official has very helpfully said:

"Nick does not want there to be any sense that the public sector can't be a provider of good quality public services".

I think we can all feel another pause coming on.

Finally, Baroness Thatcher famously possessed no reverse gear, but this Prime Minister has a car stuffed full of them and a pause gear as well, as we have seen on school sport, forests, the NHS and now sentencing. But it does make us wonder what exactly goes on inside No. 10 when the Prime Minister approves all these policies in the first place only to reverse in the opposite direction, scattering his Cabinet colleagues along the way, when his pollsters tell them just how unpopular

[Hilary Benn]

they are. So after yet another week of chaos from this coalition, is it any wonder that the Archbishop of Canterbury is now on his knees in despair?

Sir George Young: May I commend the shadow Leader of the House for a much better performance at the Dispatch Box than the leader of his party yesterday? On the Procedure Committee's report on statements, the Government have, as he said, responded. I will not be going personally to the salon to bid for a debate but I would welcome a debate on statements. We have made more statements to the House than the previous Government—about 30% more on average—we have been very open with ministerial statements and we have responded with enthusiasm to urgent questions.

I will share with my right hon. Friend the Secretary of State for Work and Pensions the point that the right hon. Gentleman raised about the regulations. I anticipated that the bulk of them would have been tabled, but if some have not been I shall take that up with my right hon. Friend straight away.

On the point about housing benefit and the changes, I have announced two days' debate on welfare reform in which there may be an opportunity to debate those, but there are transitional funds available to help people in situations such as the right hon. Gentleman described who might otherwise be caught by the proposed cap.

On Southern Cross, we have been working very closely with the Local Government Association and the Association of Directors of Adult Social Services to ensure that arrangements are in place in the event of any need. The National Health Service and Community Care Act 1990 gives local authorities all the powers they need to intervene if necessary. Whatever the outcome, no one will find themselves homeless or without care.

On the Health and Social Care Bill, it makes sense to await the outcome of the Field review and the Government's response to it before we take a decision about whether the Bill should be recommitted. However, I say to the shadow Leader of the House that we spent more time in Public Bill Committee on that Bill than on any Bill since 2002. Whatever the outcome—whether recommittal or Report—I am determined that the House will have adequate time to debate the Bill's remaining stages.

On higher education, I have seen the report of the Public Administration Committee and we plan to have the same numbers going to universities in 2012-13 as the numbers we inherited from the outgoing Government.

Let me address another issue that the shadow Leader of the House raised—that of the archbishop. I have not seen the full text of what the archbishop said but I hope that he has found time to balance any criticism of the coalition with commendation for some of the things we have done, such as the commitment to spend 0.7% of gross national income on overseas aid to ensure that the poorest people in the world do not bear the burden of solving our problems. I hope that the archbishop also finds time to commend our actions on the pupil premium, on giving more resources to the NHS and on taking lower-income people out of tax. He said that the coalition was rushing through things that nobody had voted for, but one could turn the coin over and say that in a Parliament in which no one party has a majority, there is much less likelihood of that happening.

Mr Greg Knight (East Yorkshire) (Con): Does the Leader of the House agree that the Procedure Committee's report on the use of hand-held devices in Parliament is a matter that should be debated sooner rather than later? Does he also agree that such a debate should not depend on the vagaries of the amount of time available to the Backbench Business Committee and that if necessary, the Government should provide time to enable the House to reach an early decision?

Sir George Young: I understand my right hon. Friend's anxiety and that the gun has been jumped on the use of hand-held devices in the Chamber in advance of any decision, in that certain Members have already made use of that facility. Having implemented the Wright Committee's recommendations and having allocated to the Backbench Business Committee time that would otherwise have been available to the Government, I am very reluctant to then find more time for Select Committee reports out of the finite time left to the Government, which we want to spend giving adequate time for Reports, Second Readings and other Government legislation.

Barbara Keeley (Worsley and Eccles South) (Lab): The Select Committee on Communities and Local Government has concluded that the Government's localism plans are "incoherent" and that their most serious flaw is the accountability gaps. Sir Gus O'Donnell and Sir Bob Kerslake were supposed to be looking into that issue. Given the importance of this issue to local government, will the Leader of the House make time for a debate and may we have an update on those important accountability issues?

Sir George Young: I understand the Select Committee report and, of course, the Government will respond in due course. The Government are committed to what we call "double devolution"—enfranchising not only local government, but people beneath local government—and that is at the heart of the debate between us and those who take a different view. I cannot promise time to consider the report, but no doubt the Chair of the Backbench Business Committee will have heard the hon. Lady's question.

Jane Ellison (Battersea) (Con): The Government's decision to establish the Backbench Business Committee was more than justified by this week's vibrant sitting in which we heard many excellent bids for time. I understand the timetabling pressure on the Government, but while we received bids for 28 hours of Chamber time, we know of only one day that we can allocate. May I simply request on behalf of the Committee that we know about further time that we can allocate so that we can facilitate the many excellent bids that we receive?

Sir George Young: I understand my hon. Friend's anxiety, and I remind the House that this Government established the Backbench Business Committee. We are committed to allocating 35 days in a normal Session, which is roughly one day a week. We will adhere to that commitment, and given that this Session will be slightly longer than normal, we will extend those 35 days by an

appropriate proportion. I understand that no such day is allocated for the next two weeks, but we will of course catch up between now and the end of the Session.

Mr David Winnick (Walsall North) (Lab): May we have an urgent statement on the situation faced in my constituency by an 84-year-old widow with a limited income and hardly any savings? She looks after her 60-year-old disabled son, as she has done all his life, but because community care services are being provided on a limited scale, Walsall council has asked my constituent to pay £4,789 this year, starting with an instalment of some £400. That is quite disgraceful. Why are the most vulnerable in our society, such as the constituent whom I have cited—I have heard about other cases in the past few days—being targeted by this Tory Government and Tory councils?

Sir George Young: I reject the hon. Gentleman's assertion that we have targeted the most vulnerable. On the contrary, we have allocated an extra £2 billion for social care through the NHS and local government that is aimed precisely at the sorts of cases to which he refers.

John Hemming (Birmingham, Yardley) (LD): Further to the question asked by the hon. Member for Battersea (Jane Ellison), it is inevitable that the Backbench Business Committee cannot satisfy everyone's concerns about time. However, members of the Procedure Committee are worried that whereas the time that was available to debate its reports used to come out of Government time, it now comes out of Back-Bench time. What proposals do the Government have to introduce a House business committee that will allow all these things to be balanced in an accountable manner?

Sir George Young: The Wright Committee proposed that we should have a House business committee. Although that proposition was rejected by the outgoing Labour Government, we have accepted it and said that within the first three years of the Government, we will move towards a House business committee that will merge the responsibilities of the Backbench Business Committee and of the Leader of the House for deciding the future conduct of business.

Mr David Hanson (Delyn) (Lab): May we have an early debate on the Government's disastrous decision today regarding the feed-in tariff regime for solar energy? More than 80% of those who responded to the consultation disagreed with today's outcome. The Solar Trade Association says that today's announcement "effectively kills" the solar industry, and companies such as Kingspan and Sharp in my part of the world of north Wales will be shattered by this decision to end solar manufacturing.

Sir George Young: The Government are committed to providing more energy through alternative sources such as solar energy, and we have taken several steps to increase the supply. I cannot promise a debate in Government time, but I think that we will next have Energy and Climate Change questions on 7 July. Alternatively, the right hon. Gentleman could bid for an Adjournment debate on this important subject.

Neil Carmichael (Stroud) (Con): Throughout Business, Innovation and Skills questions, we heard of a strong and determined interest in manufacturing and engineering. May the House have a proper debate about the importance of that sector to highlight the necessity of encouraging young people to think about it as one in which they can have an exciting and rewarding career so that we can march forward for growth?

Sir George Young: I agree with my hon. Friend. There will be 250,000 more apprenticeships and I hope that many will end up in the manufacturing industry. We want to rebalance the economy, and a resurgent industrial sector will enable us to have a much more resilient model of long-term growth. I welcome some of the encouraging signs in manufacturing that we have seen over the past 12 months.

Ian Murray (Edinburgh South) (Lab): There is little doubt that Scotland could survive as an independent country, but the critical question is whether it would be a more prosperous and fairer country. May we have an urgent debate in the House on the positive contribution of the Union to Scotland and the Scottish people and the positive contribution of Scotland and the Scottish people to the Union?

Sir George Young: The answer is yes, because the Scotland Bill will be returning to the Floor of the House within the next two weeks, when the hon. Gentleman will have an opportunity to make a speech. We will reassert our commitment to a United Kingdom and to Scotland remaining an integral part of it.

Kwasi Kwarteng (Spelthorne) (Con): Given the housing need and shortage in constituencies in the south-east such as mine, will the Leader of the House allow us to have a debate on housing?

Sir George Young: My hon. Friend will welcome the announcement on Wednesday that 100,000 acres of publicly owned Government land will be made available for housing, providing not only much needed housing, but 25,000 jobs in the building sector. We are very anxious to increase the supply of housing and I hope that the initiative we announced yesterday will do exactly that.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Civitas produced a report last month indicating that, because of carbon floor pricing policy, more than 600,000 chemical workers' jobs could be lost in the UK. The Institution of Mechanical Engineers recently published a report that surveyed 1,000 companies, only 12% of which indicated that they thought the Government's programme to rebalance the economy was working. May we have a debate in the House on how the Government are rebalancing the economy?

Sir George Young: We have just had Business, Innovation and Skills questions, when those exact issues could have been raised with the Secretary of State. I do not know whether the hon. Gentleman was in his place at the time and sought to raise them, but if he was he will have heard about the Government's initiatives to help the manufacturing sector of the economy and drive up employment, and I am sure that reference was made to initiatives such as the regional growth fund.

Bob Blackman (Harrow East) (Con): My right hon. Friend will be aware of the excellent campaign being run by the *Evening Standard* to promote reading across London. It is somewhat ironic that large numbers of Labour-led local authorities are closing libraries across London. May we have a debate on how to combat this cultural vandalism inflicted by members of the Labour party?

Sir George Young: I hope that when local authorities take the necessary decisions to balance the books they will not take easy decisions and close libraries without exploring all the alternatives. My hon. Friend will know that there is a provision in the legislation whereby the Secretary of State has a role in the closing of libraries, so he might like to keep that at the back of his mind.

Joan Walley (Stoke-on-Trent North) (Lab): May I return to the Health and Social Care Bill? Given the real confusion and uncertainty surrounding the future of the NHS, it is absolutely essential that we have a debate in the House following the Field review and before we go to recommital of the Bill. The founding principles of the NHS are now at risk and the legal duty to secure the provision of health care will be abolished unless the House looks at that in detail.

Sir George Young: The founding principles of the NHS are not at risk, and I refer the hon. Lady to the speech that the Prime Minister made earlier this week. I am determined that there should be adequate time to debate the Health and Social Care Bill. As I said, it makes sense to await the outcome of the Field review and see what amendments to the Bill the Government propose to table before deciding whether it should be recommitted or dealt with on Report. I am determined that the House should have adequate time to consider the Bill's important remaining stages.

Mr Matthew Offord (Hendon) (Con): May we have a statement on the citizenship status of suspected war criminals who now reside in the UK? I have been seeking information from the Home Office on the number of people who were actively involved in the Trawniki concentration camp in Poland. In March, I received a written response from the Minister for Immigration, who said he would undertake to take away citizenship from people who were engaged in these activities, but since then I have heard nothing and no more information has emerged.

Sir George Young: It should be absolutely clear that the UK will not be a safe haven for those fleeing from international justice. I do not have the details of the case to which my hon. Friend refers, but I will refer it to the Home Secretary. The UK Border Agency refers appropriate cases to the Metropolitan police for investigation and the decision on whether to prosecute lies with them. Cases will be referred where there has been an admission or allegation of an offence where the UK has jurisdiction to prosecute.

Mr Tom Harris (Glasgow South) (Lab): I doubt that I am the only Member whose constituents have been targeted in a new internet scam whereby they are cold-called at home, told that their computer has a virus and asked for their internet protocol address over the phone. Clearly the IP address would be used to access their computers remotely for less than honest reasons. Will the Leader of the House invite the Minister responsible to the House so that we can debate how the Government can contribute to protecting people's home computers and privacy?

Sir George Young: I am grateful to the hon. Gentleman for using the air time available to him to warn people of that risk. There will be an opportunity next Thursday during Culture, Media and Sport questions to raise it further. In the meantime, I will see whether the appropriate authorities can take further action to alert people to this dangerous scam.

Mr David Nuttall (Bury North) (Con): May we please have a debate on the BBC's news and Parliament channels? The BBC Trust is currently conducting one of its regular reviews on those two important channels and a debate would allow Members to contribute to the consultation process that is part of the review.

Sir George Young: I understand the anxiety about the coverage of the BBC's news and Parliament channels. It is a matter for the BBC, and the Government should not become directly involved. I would welcome such a debate and hope that my hon. Friend will make an appropriate bid. The period of the current charter runs until the end of 2016 and there will be a full review as that time draws near, although no date or remit have been set.

Mrs Jenny Chapman (Darlington) (Lab): I am one of 15 Members who wrote to the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), who is responsible for consumer affairs, with a request for a meeting to discuss high-cost lending, which was declined following five months waiting for a response. Will the Leader of the House investigate the Minister's work load and establish whether a meeting would be possible?

Sir George Young: I caught the end of BIS questions and heard the hon. Member for Walthamstow (Stella Creasy) press the Minister for a further meeting on that issue. I will also press for a further meeting on the issue and report the bid of the hon. Member for Darlington (Mrs Chapman) to my hon. Friend the Minister, but I assure her that he, like every Minister in the Government, is very busy on governmental business all the time.

Priti Patel (Witham) (Con): My constituent Marie Heath has been left devastated by the brutal murder of her son Lee in Frankfurt in April. Will the Leader of the House give her an assurance that the Government will fully support her family during this most difficult time and, importantly, press the German authorities to bring her son's murderers to justice?

Sir George Young: I extend my condolences to Marie Heath on the recent tragic death of her son Lee. The consular service of the Foreign and Commonwealth Office should of course continue to provide all assistance necessary to Mrs Heath and her family and maintain contact with her, as it did when she went to Germany following the attack. I understand that it has also arranged for the family to receive assistance from Victim

Support's national homicide service. I will also ensure that the FCO is aware of my hon. Friend's interest in the case.

Fiona Mactaggart (Slough) (Lab): In Business, Innovation and Skills questions earlier today the House heard that the Minister for Further Education, Skills and Lifelong Learning plans to produce an equality impact assessment of the proposed increases in charges for English for speakers of other languages courses before the House rises for the summer recess. If that shows, as my experience in my constituency does, that the changes in ESOL fees will bear unfairly on women—seven in every 10 students affected in Slough are women—will the Leader of the House ensure that we have time before the House rises to change the policy on behalf of those women?

Sir George Young: The hon. Lady is making an assumption that the document to which she refers will indeed confirm her suspicions. I think it makes sense to await the outcome of the impact review, but I will share her concern with the Minister and ensure that there is an opportunity to take what she says on board if it turns out that there is an adverse impact.

Bob Russell (Colchester) (LD): The fog of war is one thing, but the fog of confusion at the Ministry of Defence is quite another. There are reports that soldiers in 16 Air Assault Brigade face a pay cut of about £2,000 a year. On Tuesday, the brigade, which recently returned from Helmand province, had a welcome home parade in Colchester, and yesterday at St Edmundsbury cathedral there was a service of thanksgiving, remembrance and hope. Does the Leader of the House agree that a wage cut of £2,000 is not the reward they should receive, and if he cannot arrange for a Minister to come to the House to clarify what is going on, will he at least arrange for a Minister to clarify in the armed forces debate precisely what the position is?

Sir George Young: My hon. Friend knows that there will be two days next week to debate the Armed Forces Bill, when there may be an opportunity to raise the matter. I heard his point of order earlier this week at a relatively late hour, and my right hon. Friend the Defence Secretary has made it clear that all service personnel who have a current qualification to parachute and are in a post where we might ask them to use that skill on behalf of this country must continue to receive specialist parachute pay in recognition of that. I recognise that this is a sensitive and emotive subject, and I hope that what I have said is of some help.

Geraint Davies (Swansea West) (Lab/Co-op): I am sure that you, Mr Speaker, and the Leader of the House will want to join me in congratulating Swansea City on their recent promotion to the premier league, but in addition will the Leader of the House provide time for an urgent debate on the further electrification of the railway line out of Paddington from Cardiff to Swansea in the light of the increased traffic due to that promotion, plus the extra convergence funding that might be available to subsidise the cost, and in the light of the Prime Minister's statement in April in Swansea, when he said that the Government would look at the further extension of electrification to Swansea?

Sir George Young: As a former supporter of Reading football club, I was less than pleased at the outcome of that match. The hon. Gentleman has raised the question of electrification several times, but we would not save any time if we made the change that he outlines. It has been raised several times at Transport questions, and despite the heroic work of his local football club I would be misleading him if I said that it would generate enough traffic to alter substantially the arithmetic on which that decision was based.

Mr Rob Wilson (Reading East) (Con): Following information from whistleblowers, I recently raised the case of The Manchester college and its highly questionable activities in relation to the delivery of taxpayer-funded training contracts at prisons such as Reading. May we therefore have a debate on the illegal and inefficient spending of taxpayers' money, in which I would be able, for example, to call for a thorough audit of all the taxpayer money that has gone to The Manchester college?

Sir George Young: I share my hon. Friend's concern if there has been any misuse of taxpayers' funds. I shall draw his remarks to the attention of the appropriate Minister and ask him to write to my hon. Friend, reassuring him either that there has been no misuse or that appropriate action is being taken to ensure that any misuse is put right.

Anas Sarwar (Glasgow Central) (Lab): Scottish Power this week announced that it will increase its energy prices by 19%, and other energy companies are likely to follow suit. May we have an urgent statement from the Government outlining what discussions they have had with energy companies and what measures they will take to ensure that we support families, who already have very tight budgets?

Sir George Young: I understand the hon. Gentleman's concern at the recent announcement of fuel price increases, and we are committed to doing all we can to ensure that vulnerable older people can keep their homes warm in the winter. We have protected the winter fuel payments and permanently increased cold weather payments from £8.50 to £25 per week. We have also announced the triple guarantee for more generous state pension provision, so that vulnerable people do not have to choose between food and heating their homes, but I will share his concern with my right hon. Friends.

Nicola Blackwood (Oxford West and Abingdon) (Con): The Safe and Sustainable review that is out to consultation implies that Oxford's child heart surgery unit will close. Clinicians in Oxford and Southampton, however, have developed a partnership proposal that offers the quality assurance that the Government seek while retaining the accessibility that patients and clinicians fear losing. As Safe and Sustainable, an inherited review, runs the risk of being seen as an imposed reorganisation from above, that proposal seems exactly the kind of innovative local solution that we want to encourage. May we therefore have a debate on child heart surgery partnerships between trusts in order to assist those making a decision on the Safe and Sustainable recommendations and to encourage such solutions in other parts of the country?

Sir George Young: I am grateful to my hon. Friend, who will know that the consultation is under way and concludes at the end of the month. I have an interest, because Southampton general hospital serves a number of my constituents, and I was interested to hear her float the idea of a partnership between the relevant hospitals in Oxford and Southampton. The future of cardiac paediatric surgery has been a matter of some debate since the problems in Bristol, and we inherited a review, which my hon. Friend knows about, to try to get a better and safer balance of services, but I will certainly see that the committee that looks at the review when it is completed takes on board her suggestion of a partnership between the two hospitals.

Paul Flynn (Newport West) (Lab): May we debate the almost certain link between the tragic deaths of six of our gallant soldiers in the past two weeks and the escape eight weeks ago of 500 members of the Taliban, probably because of the incompetence or, possibly, collaboration of their jailers? Should we not examine whether the Government's over-optimistic trust in the Afghan police and army is having lethal consequences for our soldiers?

Sir George Young: I understand the hon. Gentleman's concern. He will know that the Government make regular statements on the position in Afghanistan and in Iraq, and we will continue to do so. When we make those statements, he will have an opportunity to share his concern about the prisoners who escaped and their possible impact on the soldiers who have lost their lives. I cannot promise a debate about the issue, but perhaps Foreign Office questions would be a good opportunity for him to press Ministers on it.

Nadhim Zahawi (Stratford-on-Avon) (Con): May we have a debate about economic growth and confidence? I was surprised to see, in assessing macro-economic policy, the views of a very small, left-wing bunch of economists being given so much weight, when I know that credible economists back the Government.

Sir George Young: I am grateful to my hon. Friend for that helpful and supportive point, and he makes it in the week when the IMF said:

> "Aided by the implementation of a wide-ranging policy program, the post-crisis repair of the UK economy is underway."

That view is endorsed by the European Commission, the CBI and many others, and most people will accept their interpretation of what is happening, rather than that of the outgoing Labour Administration, who got us into this mess.

Albert Owen (Ynys Môn) (Lab): Further to what my hon. Friend the Member for Glasgow Central (Anas Sarwar) said about the huge increases in domestic energy prices, may we have an immediate and urgent debate on the subject, in which we could also look at the role of the regulator to ensure that it protects not just vulnerable customers but all consumers of gas and electricity, both on and off the grid?

Sir George Young: I cannot promise an immediate debate, but it strikes me as an issue that the Energy and Climate Change Committee might like to look at, as it involves both the regulator and the increase in fuel prices. There will be an opportunity, however, to press Ministers from the Department of Energy and Climate Change at the next question time.

Andrew Stephenson (Pendle) (Con): Will the Leader of the House grant us a debate about Government plans for the natural environment? This week the Government published on the subject a crucial White Paper, which will be hugely beneficial in safeguarding and enhancing the natural environment, and I feel that a debate on those welcome proposals would be appropriate.

Sir George Young: I hope that my hon. Friend will go to the Backbench Business Committee and bid for such a debate. We launched the White Paper a few days ago—the first White Paper for some 20 years, looking ahead for the next 50 years, proposing measures to safeguard and enhance our natural environment and setting out a programme of action for some of the damage that has been done. I should welcome such a debate if chosen by the Backbench Business Committee.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Does the Leader of the House agree that it is difficult if not impossible to become a full citizen of our country without speaking English? Is he aware that other countries, such as the Netherlands, link the payment of benefits to new entrants to their country to training in and learning of the language? Is it not about time that we put extra effort into the whole concept of citizenship and the necessity to teach people English in order to access it?

Sir George Young: I agree with the hon. Gentleman's first sentence. I was under the impression that there was indeed an English language test as part of the citizenship test before one became a citizen, but if that is not the case I will ask my hon. Friend the Minister for Immigration to write to the hon. Gentleman setting out what the position is.

Robert Halfon (Harlow) (Con): Will the Leader of the House find time for an urgent statement on the E. coli outbreak in Europe and the UK cucumber industry? Despite British produce being perfectly safe, many farmers in my constituency have seen a fall in sales of between 30% and 50%, and some are already on their way to bankruptcy. Will he ask the Government to redouble their efforts for fair access to the €150 million of EU compensation and to persuade Russia to lift its unfair ban on UK cucumbers?

Sir George Young: My hon. Friend said at the beginning of his remarks that there is no evidence of any contamination in the UK food chain from the E. coli disease that has broken out in Germany, and I share his concern about UK cucumber producers, because all the evidence shows that their product is perfectly safe to eat. The Food Standards Agency reminds consumers of the importance of basic food hygiene when preparing food, but I will certainly raise with my right hon. Friends the question that my hon. Friend raises about compensation for those who have lost their livelihood as a result of the outbreak.

Mr Dave Watts (St Helens North) (Lab): The Leader of the House is well aware of my concern about the Government's secret plans to try to privatise my local hospital trust. I am now informed that the trust has expressed concern that if it has to implement the cuts that the Government want, patient safety will be put at risk. The trust has refused to publish those documents. May we have a debate on the secrecy that now surrounds the NHS?

Sir George Young: Legislation put on to the statute book by the hon. Gentleman's own party when in government makes it absolutely clear that it is impossible to privatise an NHS trust. As we have said in earlier exchanges, there will be an opportunity to debate this issue in the context of the Health and Social Care Bill. He has written to me and to the relevant Health Minister several times. If there are any outstanding issues, I will ask the Minister to write to him yet again.

Karl McCartney (Lincoln) (Con): With continued disquiet across the House regarding the ongoing role of the Independent Parliamentary Standards Authority, and following the recent debate instigated by my hon. Friend the Member for Windsor (Adam Afriyie), would my right hon. Friend care to update us on any meetings or discussions that he has had about that?

Sir George Young: As a result of the debate that the House had before the recess, we agreed to set up a Committee of the House to look at some specific issues that the House referred to it. That is the body to which my hon. Friend should address his attention when we set it up, which will be in the near future. In the meantime, we have a liaison committee between the House and IPSA, with six or eight Members on it, and he might like to make contact with them. If he has any issues that need to be addressed urgently, I would be happy to use what influence I have to sort them out.

Kevin Brennan (Cardiff West) (Lab): May we have a statement on the Olympic tickets debacle and, in particular, how it is possible that the Olympic organising committee could devise a system whereby 1 million people did not get any tickets at all in the first ballot, which means that they will have to do what I did this week—register on a French website in order to get some sensible way of trying to purchase them? Should not Ministers be calling in members of the committee, showing them the instruments of torture, and getting them to sort this out?

Sir George Young: The fact is that there were many more bids for tickets than there were tickets available, so inevitably there had to be a rationing system. My own view is that the system that the committee introduced was a fair one. A week from today, the hon. Gentleman will have an opportunity to press Ministers at Culture, Media and Sport questions, and I will give them due warning that he is on the warpath.

Gordon Birtwistle (Burnley) (LD): Will the Leader of the House consider granting a debate on defence and transport procurement policies to enable British companies to operate on a level playing field, which could also deliver increased export potential as British manufacturers could sell their goods across the world?

Sir George Young: We are keen on level playing fields. One of the obligations of being a member of the European Union is that there should be no non-tariff barriers to trade. There may be an opportunity for my hon. Friend to raise his concerns about defence equipment in next week's debates on the Armed Forces Bill. If he is concerned about any specific contract, I would be happy to take that up with the Ministry of Defence.

Mrs Madeleine Moon (Bridgend) (Lab): In 2004, the King and Government of Malaysia awarded the Pingat Jasa Malaysia medal to soldiers who fought in the Malaysian jungle between 1957 and 1966. That medal was initially refused to veterans by the British Government. It has now been accepted, but veterans are not allowed to wear it in public. According to a written answer from the Ministry of Defence of 26 April, the review was currently with the Prime Minister and Deputy Prime Minister and it was hoped that a decision would be made after Easter. It is now long after Easter, and we are still waiting. On behalf of people such as Ted Williams, who is national secretary of the National Malaya and Borneo Veterans Association, may we have a statement as soon as possible so that as we approach armed forces week they can wear their medal publicly, with pride, in memory of the 340 troops who died fighting bravely in those jungles?

Sir George Young: This is a long-standing campaign that has a lot of support on both sides of the House, and I commend the hon. Lady for raising it. I will raise with the Prime Minister and the Deputy Prime Minister exactly what she has said. If it is indeed the case that a decision rests with them, I will use what influence I have to try to get a decision before the summer recess.

Mrs Anne Main (St Albans) (Con): Further to the remarks by my hon. Friend the Member for Harlow (Robert Halfon) about British cucumbers being decimated, may we have a debate on why some ill-judged remarks by an EU Minister from Germany are leading to enormous financial implications and bills for our country?

Sir George Young: As I made clear earlier, there is no evidence at all of any contamination in the UK food chain that emanates from the problems of the E. coli outbreak in Germany. I say again to my hon. Friend that the public should be reassured that there is no reason at all why cucumbers in this country should not be consumed. If there have been unhelpful remarks from people overseas, of course I will pursue that through the Foreign and Commonwealth Office.

Ian Mearns (Gateshead) (Lab): As a member of the Backbench Business Committee, may I associate myself with the comments of the hon. Members for Battersea (Jane Ellison) and for Birmingham, Yardley (John Hemming) with regard to the work of the Committee, where work is piling up? Members across the House are becoming concerned at the little time so far allocated by the Government to its duties.

May I also ask the Leader of the House about Southern Cross? There is significant concern about Southern Cross, not only because of the current self-induced financial crisis but because of significant shortcomings in levels of care in several homes around the country before the crisis was confirmed.

Sir George Young: On the latter point, it would be for the Care Quality Commission to pursue any failings in care and to take that up with the home directly and, if necessary, with the appropriate social services departments.

In response to what the hon. Gentleman said about time pressures, there is enormous pressure on the Government in that we are asked for more time for Report stages and for debates on important issues. Unless he is suggesting that the House should sit into the end of July and August, I am afraid that the Backbench Business Committee and the Government will both have to make difficult decisions on timing.

Several hon. Members *rose—*

Mr Speaker: Order. May I gently remind the House that questions to the Leader of the House at business questions should specifically seek either a debate or a statement?

Christopher Pincher (Tamworth) (Con): Will the Leader of the House make time for a debate on NHS funding? Constituents of mine have highlighted to me the importance of mental health services provision, so a debate on the £3 billion of further investment that this Government are putting into the NHS this year would be timely and welcome.

Sir George Young: I am grateful to my hon. Friend. There will be time for a debate on the NHS when the Health and Social Care Bill returns to the Floor of the House. He reminds the House that an extra £3 billion is being invested in the NHS this year—an investment that Labour would have denied it.

Chris Bryant (Rhondda) (Lab): A constituent of mine is particularly worried about the Government's plans for the NHS in England because her daughter has a rare condition that can be treated only in hospital in London. She will therefore be interested to know that the Government are talking about recommitting the Health and Social Care Bill to Committee. However, will there not be a real problem for members of that Committee, who may have to vote for exactly the opposite of what they voted for only a few months ago? Will the Leader of the House make sure that if there is to be a recommittal, the Committee has a new set of Government Back Benchers so that the original members do not have to lose any integrity or credibility?

Sir George Young: A nice try! If the Bill is recommitted, there will have to be a fresh Committee of Selection to appoint a new Committee. I have every confidence that Back-Bench Members of my party and of the Liberal Democrat party will use their best judgment on that Committee and continue to work with the Government to drive up standards in the NHS so that we have a world-beating health service in this country.

Brandon Lewis (Great Yarmouth) (Con): In order potentially to give some support to whatever position the FA may take, may we have a debate on the appalling situation in FIFA that is bringing our beautiful game into such disrepute?

Sir George Young: There will be an opportunity to raise that at DCMS questions next week. I thought that the FA did the right thing in arguing strongly for a postponement of the election, but it was not successful. It is now up to Sepp Blatter to reform FIFA and make it a much more accountable and transparent organisation than it is at the moment.

Nick Smith (Blaenau Gwent) (Lab): May I, too, press for a debate on the future of regulation of our care homes? Southern Cross has 750 homes across the country that are in trouble with rental payments, and yesterday we learned that 3,000 staff are being laid off. Many Members across the House will want a debate to ensure that the Government have a grip on the situation.

Sir George Young: I understand the concern about this. I hope that before long it will be possible to offer time to the Backbench Business Committee for which it might consider a serious bid from both sides of the House for a debate on care. The Dilnot report will come out early next month. I am sure that the House will want to debate it, because its recommendations are closely linked to the problems in which Southern Cross and other care home providers now find themselves.

Mr Peter Bone (Wellingborough) (Con): Many Members have made the point that there has been not been enough time for the Backbench Business Committee. The Chairman of the Committee would have made that point today, but unfortunately cannot be here for understandable reasons. There was a solution. The Wright report recommended that Back-Bench business should be scheduled every Wednesday with Thursdays once again becoming a main day for debate on Government legislation and other matters. Will the Leader of the House make a statement next week to say whether that can be done or whether the forces of darkness are preventing it?

Sir George Young: There are no forces of darkness in my life. I will reflect on my hon. Friend's point. It is not the case that the Backbench Business Committee has been offered only Thursdays. I think that the last day it was offered was a Tuesday. The Government have to balance the demands on time for Government Bills with the demands of the Backbench Business Committee. This will all be resolved in three years when we have a House business committee that can take a co-ordinated view. I commend my hon. Friend for his role in never letting us forget that we have a Backbench Business Committee.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Diolch yn fawr, Mr Speaker. During the recess, *The Observer* reported a seemingly rolling commitment by the British military mission in Saudi Arabia. May we have an urgent statement from the Government on the exact nature of the role of the BMM in training the Saudi national guard? It would seem slightly duplicitous to support pro-democracy movements in the middle east, while training the jack-boot forces that are quashing protests in the region.

Sir George Young: I understand the hon. Gentleman's concern. There will be an opportunity next Tuesday at Foreign Office questions either to table a substantive

question such as the one he has asked, or to ask a topical question. I will alert Foreign Office Ministers that such a question might be on the way.

Gavin Williamson (South Staffordshire) (Con): I very much hope that we can have a debate on intellectual property. I am sure that my right hon. Friend is aware of the great sporting event that is to take place in this country next year: the Wombourne olympics in south Staffordshire. The event's organisers are very concerned that the Olympic authorities might prosecute them for using the word "olympics". I am sure that a debate would clarify the matter.

Sir George Young: I very much hope that the matter can be clarified without the need for a debate. I will alert the appropriate Minister to the dilemma that confronts my hon. Friend's constituents, and see whether we can find a way through.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): May we have a debate on the progress of the Department for Work and Pensions in implementing the recommendations of the Harrington review into work capability assessments? My constituent, Barry Haney, who has a brain tumour with multiple side-effects, was judged fit to work after a four-minute assessment. He won his appeal. Surely it would save a lot of heartache, time and public money if the assessments were got right in the first place. Perhaps we could debate that on a cross-party basis in the House.

Sir George Young: There will be Work and Pensions questions on Monday. Of course we should try to get these matters right at the initial assessment so that they do not have to go to appeal. The hon. Gentleman reminds the House that there is an opportunity to appeal to an independent body. I will certainly raise the issue with the DWP and ensure that the quality control is such that the need to appeal in such cases is minimised.

David Mowat (Warrington South) (Con): An important decision to be made in the next few months is the location of the green investment bank. It is important that the criteria for that decision are transparent and open to scrutiny. May we have a statement on what the criteria will be, and an assurance that the process will be transparent, open and fair, in which case I am sure the bank will end up in Warrington?

Sir George Young: I fear that my hon. Friend may have opened a bidding war with his question. All parts of the country will be considered. The location for the green investment bank will be chosen to enable it best to deliver its mission. We will consider a number of criteria, including the ability to fulfil the GIB's mission, ease of access to the talent pool, and commercial costs. I am sure that Warrington will be considered.

Valerie Vaz (Walsall South) (Lab): Will the Leader of the House conduct a review and make a statement to the House on the way in which the Government respond to questions from Members? On Tuesday, I asked the Secretary of State for Health about the cost of the listening exercise. He has twice been unable to answer that question and wants to write to me. Some estimates have put the cost at up to £1 billion. If the pause, listening and reflecting had been done at the White Paper stage, none of these costs would have been incurred.

Sir George Young: If my right hon. Friend said that he would write to the hon. Lady with an answer, I am sure that that is exactly what he will do. I think that the pause for the listening exercise has been widely welcomed. If it enables us to improve the provisions of the Health and Social Care Bill, I am sure that the whole House will welcome that outcome.

Jim Shannon (Strangford) (DUP): Will the Leader of the House agree to a debate on awarding a posthumous Victoria cross to Blair Mayne, the legendary member and officer of the Special Air Service, for his courageous and heroic endeavours in the desert campaign of the second world war? He was a native of Newtownards in my constituency. To use an Ulster Scots colloquialism, he was yin o' oor ain folk. Ards borough council and the Northern Ireland Assembly support the campaign. In the last Parliament, a number of Members signed an early-day motion asking for him to be recognised with the VC. How better to ensure that their war hero is recognised? A debate in this House would allow public opinion to be reflected and enable hon. Members to indicate their support for—

Mr Speaker: Order. I apologise, but the hon. Gentleman's question is very long. He must try to make his questions shorter in future.

Sir George Young: The hon. Gentleman has spoken of someone who was clearly a very brave man. I will certainly pass his bid on to the Secretary of State for Defence.

Nic Dakin (Scunthorpe) (Lab): The Government have relied for their evidence base for scrapping education maintenance allowance on a piece of research by the National Foundation for Educational Research. Dr Thomas Spielhofer, who led that research, made it very clear in evidence to the Education Committee yesterday that there is no evidence base in the research to say that EMA is a dead-weight. In view of that, will the Secretary of State for Education come to the House to explain the evidence base on which he makes his decisions?

Sir George Young: If the Select Committee is doing an investigation into the subject, it would seem sensible for the Committee to summon the Secretary of State to respond to that evidence, rather than have him summoned to the Floor of the House.

Dr David Kelly

12.26 pm

The Attorney-General (Mr Dominic Grieve): With permission, Mr Speaker, I would like to make a statement about the death of Dr David Kelly and whether an application should be made by me to the High Court for an inquest to be held into his death.

As a Law Officer of the Crown, I am routinely asked to consider such applications as part of my public interest role. It is in that role that I make this statement. I would not normally present the result of my considerations so publicly, but given the interest that this case has attracted from Members of the House and in the media, I think it is right that this House has the chance to consider my conclusions and to ask questions.

The House will be aware that Dr Kelly was a distinguished Government scientist, who became one of the chief weapons inspectors in Iraq on behalf of the United Nations Special Commission and who, from 1991 onwards, was deeply involved in investigating the biological warfare programme of the Iraqi regime. Dr Kelly built up a high reputation as a weapons inspector, not only in the United Kingdom but internationally.

Against a background of allegations of information having been leaked to the media, on Thursday 10 July 2003 both the Foreign Affairs Committee and the Intelligence and Security Committee requested that Dr Kelly appear before them to give evidence. He gave evidence to the Foreign Affairs Committee in a hearing televised to the public on 15 July, and he gave evidence to the Intelligence and Security Committee in a private hearing on 16 July.

In the afternoon of the following day, Dr Kelly left his home to take a walk. By the late evening, he had not returned and his family contacted the police. A search was commenced that resulted in his body being found in the morning of 18 July in woodland on Harrowdown hill in Oxfordshire. It appeared that Dr Kelly had taken his own life by cutting his wrist. Thames Valley police nevertheless commenced an investigation into the case as a potential homicide.

That day, the then Lord Chancellor, Lord Falconer, set up an inquiry chaired by Lord Hutton to investigate the circumstances surrounding the death of Dr Kelly. The Oxfordshire coroner also opened an inquest into the death as he was obliged to do. In August, the Lord Chancellor exercised his powers under the Coroners Act 1988 to transfer the functions of the inquest to the inquiry. The inquest was adjourned on 14 August, after sending the registrar a certificate of death in which the causes were stated to be, first, haemorrhage and incised wounds to the left wrist and, secondly, co-praxomol ingestion and coronary artery atherosclerosis. When the Hutton inquiry reported in January 2004, it confirmed the causes of death as they appeared in the death certificate. Thereafter, on 16 March 2004, the coroner indicated that there was no basis or need to resume the inquest, and that his functions were accordingly at an end.

Because of the interest in the political issues that formed the backdrop to Dr Kelly's death, a significant number of people have raised concerns about his death and the process used to investigate it, and have called for a new inquest to be set up. At this stage, only the High Court can order an inquest, and then only on an application made by me or by another with my consent. I was asked last year to make such an application and have since been provided with a large amount of information that is said to support the case for an inquest. I am grateful to all those who have taken the time and trouble to put that information together.

As Attorney-General, I had then to exercise a non-political role as guardian of the public interest and consider whether any proper grounds existed for such an application to be made. Recognising the importance of the matter, I have sought the help of independent experts to review the evidence and the new information supplied to me. That has involved help from Dr Richard Shepherd, a leading forensic pathologist, and Professor Robert Flanagan, a distinguished toxicologist. I also sought and received the considered views of Lord Hutton; Mr Nicholas Gardiner, the Oxfordshire coroner; Dr Nicholas Hunt, the pathologist who carried out the original post-mortem; and others in response to the allegations made against their handling of the matter originally. I have also been greatly assisted by officers of the Thames Valley police. I wish to record my thanks to all who have helped me in considering this matter, and in particular to the legal staff at the Attorney-General's office who have helped me.

Having given the most careful consideration to all the material that has been sent to me, I have concluded that the evidence that Dr Kelly took his own life is overwhelmingly strong. Further, nothing that I have seen supports any allegation that Dr Kelly was murdered or that his death was the subject of any kind of conspiracy or cover-up. In my view, no purpose would be served by my making an application to the High Court for an inquest, and indeed I have no reasonable basis for doing so. There is no possibility that, at an inquest, a verdict other than suicide would be returned.

It is not possible in the short time that I have now to explain in detail the reasoning behind my conclusions. In order to inform the House, I have placed in the Libraries of both Houses today a more detailed statement of my reasons, copies of the independent reports that I commissioned, the responses of Lord Hutton and others, some additional material and a schedule—a 60-page list that I hope covers most, if not all, the arguments that have been put to me and my response to each and every such argument based on all the evidence available.

May I just say, in broad terms, that the suggestion that Dr Kelly did not take his own life is based not on positive evidence as such but on a criticism of the findings of the investigation and inquiry? It began with the views of a number of doctors, undoubtedly expert in their own areas of practice but not qualified as forensic pathologists, that Dr Kelly could not have died from loss of blood from the wounds described. To be fair to those who make such a claim, they did not have access to the material on which those conclusions had been reached in making their own reasoned arguments.

Once such a doubt had been created, those who believed that Dr Kelly was murdered looked for contradictions in the evidence given to Lord Hutton, for matters that were apparently not followed up by the police and for any other issues that might be considered suspicious. Much has been made, for example, of the position in which Dr Kelly's body was found. Although all the witnesses bar two gave evidence to the inquiry

that Dr Kelly was found lying on his back with, as the photographs show, his head very close to the trunk of a tree, the two witnesses who found the body stated that it was propped against a tree. Lord Hutton, who had considerable experience as a trial judge, recognised that honest witnesses, in genuinely seeking to explain what they saw, can and sometimes will none the less recall the same scene differently. Any Member who has any experience of the trial process will say the same. That is underlined by the fact that one of those two witnesses, in the statement that he made to the police closer to the time of the event, actually described the body as being on its back and not propped. That is not a criticism of that witness, but from that minor contradiction came the view that the body must have been moved.

If the body had been moved, then why, by whom and for what purpose? The issue has proven a fertile ground for imaginative speculation to take over. In fact, all the evidence provided by the very careful forensic examination of the scene at the time and the detailed review that, exceptionally, I have undertaken, supports the view that Dr Kelly died where he was found and from the causes determined. There is no evidence that I have seen that would suggest any other explanation, or that suggests any cover up or conspiracy whatever.

I wish to emphasise that my conclusions and decision are, as they must be, entirely my own and based on my assessment of the evidence. I have received no representations of any kind from the Prime Minister or any other ministerial colleague on this decision.

The material is in the Library for all to consider. I believe that anyone approaching this matter with an open mind, whatever their previous misgivings, will find it convincing. I would add only that I offer to the Kelly family my sincere sympathy, not simply for their loss, great though that undoubtedly is, but for having to bear that loss in the glare of intrusive publicity over such a long period. They have borne that load with great fortitude and dignity. Although I realise that it will always be impossible to satisfy everyone, I would hope for their sake that a line can now be drawn under this matter.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I thank the right hon. and learned Gentleman for early sight of both his statement and the detailed reasons for his decision not to apply to the High Court for an inquest into the death of Dr David Kelly.

Having been afforded the opportunity to read and examine the documentation relating to the Attorney-General's inquiries, in so far as time has permitted, the shadow Law Officers are grateful for the opportunity to review the documents, from which we derive confidence that the Attorney-General has addressed himself fully to the issues involved. We have been reassured by the comprehensive nature of the inquiry and the quality of the reports produced. The allegations made have clearly been taken seriously and inquired into, and I should like to commend the thorough and extremely transparent way in which he has handled the issue. I hope that that will give Members of the House and members of the public the reassurance that he was seeking to provide.

The Attorney-General's findings corroborate those of the right hon. Lord Hutton, who concluded in his 2004 report into the circumstances surrounding the death of Dr Kelly that he was

"satisfied that Dr Kelly took his own life"

and

"further satisfied that no other person was involved in the death of Dr Kelly."

The Attorney-General's decision also substantiates the findings of the post-mortem and the toxicology reports conducted following Dr Kelly's death and published by the Ministry of Justice last October

"in the interests of maintaining public confidence in the inquiry into how Dr Kelly came by his death."

The Opposition therefore accept the Attorney-General's decision today, on the basis that he has very carefully and clearly outlined his detailed reasons for not applying to the High Court to request an inquest into Dr Kelly's death, due to the lack of new, compelling evidence that Dr Kelly did not commit suicide.

We are grateful to the Attorney-General for the written statement and related documents that he has placed in the Libraries of both Houses, which will assist Members and the public in understanding the basis of his announcement today. None the less, I am aware that few in this House will yet have had the advantage of perusing the documents. I therefore wonder whether he will provide for Members of the House, and for members of the public, who may listen to this statement but not peruse the documents in the Library, a brief outline of the legal basis of his decision not to apply to the High Court for a new inquest; confirmation that he is satisfied that, as has been extensively raised in media reports, the evidential burden of proof beyond reasonable doubt as to the cause of Dr Kelly's death has been met, thereby dispelling concerns that a coroner's inquest would return a different verdict; and a statement of whether he believes that his decision today would not rule out a future inquest should any new and compelling evidence about the circumstances surrounding Dr Kelly's death come to light.

Finally, I also wish to extend my sincere sympathy to the Kelly family for both their tragic loss and the undoubted difficulty that the extensive publicity surrounding the matter has caused.

The Attorney-General: I am most grateful to the hon. Lady for her kind words. I appreciate them and I have no doubt that they will be appreciated by all those who have been involved in reviewing this case.

The hon. Lady raises a number of important points, which I shall do my best to answer. First, I very much hope for the sake of all concerned that this will produce finality, but it is absolutely right that if some new and compelling evidence were to come to light at some point in future that suggests that there might be something wrong in the original inquiry findings, it would of course be possible for the matter to be looked at again, as in the case of any inquest or inquiry. In that sense, there is no bar as a result of the statement that I have made today.

Secondly, the hon. Lady asked me to explain my legal powers a little. The background is that the inquest process was replaced originally by a decision of Lord Falconer to have an inquiry, pursuant to section 17A of the Coroners Act 1988. That decision was never challenged at the time—somebody could have done so if they had wanted to, and there is no reason whatever to suppose that there was anything improper about the decision. Indeed, as I understood it, the decision marked the

[The Attorney-General]

seriousness with which Lord Falconer took the matter at that time, and it marked his desire to have an inquiry that would be capable of going further in its scope than an inquest, particularly in respect of looking at some of the surrounding circumstances, which an inquest would not be particularly well placed to do.

Lord Hutton did indeed look at those surrounding circumstances, but they were not really the subject of this review. The review arose from the representations of the memorialist doctors who indicated that they thought that the lack of certainty specifically as to the cause of death was such that I ought to exercise my powers under section 13 of the 1988 Act to make an application to the High Court for the inquest to take place—we may have to face up to the fact that no inquest took place, because it adjourned without being completed.

I do not wish to get involved in legal technicalities, but those powers are of a slightly technical nature. However, I approached the matter on the basis that if there was an evidential basis for calling into question the inquiry's findings on the cause of death, I would make such an application, whatever the technical difficulties might be, because of my view that in such circumstances, the Court would be minded at least to find a way to allow the matter to be reinvestigated. That was the basis on which I operated. That we have taken some time and, I must say, a lot of trouble, to look at this matter very carefully is a reflection of the seriousness, in my view, of the allegations that were being made, and of the fact that the allegations were being made by apparently sensible and reasonable people. I am grateful to them for bringing those problems forward.

That is the basis on which I operated, but having operated in that way and having reviewed all the evidence—the hon. Lady has seen the schedule, which I hope will be helpful to hon. Members who go to the Library to look at it—I decided that the evidence was overwhelming that this was a tragic case of suicide, and that suicide caused Dr Kelly's death for the medical reasons that were correctly identified at the time that the death certificate was made out.

Richard Ottaway (Croydon South) (Con): As a member of the Select Committee on Foreign Affairs that took evidence from David Kelly in 2003, I have never doubted that he committed suicide. I have always believed that Lord Hutton was right on that, even though his conclusions on the war have subsequently been challenged.

I have known the Attorney-General for many years, and I know that he will have done a perfectly thorough and diligent job. Will he accept that the evidence is clear, and that it is time to bring closure to this matter and move on?

The Attorney-General: I certainly think that the evidence is clear, and indeed that there is no evidence to the contrary—that point will be quite clear to anybody who looks at the schedule—in the sense that I could see perfectly satisfactory answers to every question that was raised with me, all of which led inexorably to the suicide verdict.

I agree with my hon. Friend. I hope that this will enable us finally to draw a line under the matter. It was clearly a matter of huge and legitimate public concern for a variety of reasons, and everything took place in a very difficult political environment. However, I believe that my review and its findings are very clear-cut. This was not a question of my having to make a balancing decision and coming down on one side or the other. I reviewed all the material, and the outcome is that it is quite clear to me that the original inquiry's findings were correct.

Andrew Miller (Ellesmere Port and Neston) (Lab): May I congratulate the Attorney-General on the clarity of his statement and on his decision, which on the basis of the scientific evidence that I have read is quite right? Will he confirm that the detailed scientific reports are included in the bundle of papers that he has placed in the Library, including those from Richard Shepherd and Robert Flanagan, to which he referred? Will he ensure that an interpretation for lay people of what the scientists wrote is included, so that the conspiracy theories do not develop again?

The Attorney-General: The hon. Gentleman will be the best judge of that. Professor Flanagan's and Dr Shepherd's reports will both be in the Library. I think they are written in pretty plain English. Clearly, they are also medically based, which is inevitable. In the schedule, I have used that material and other material to seek to set out each matter in slightly plainer terms. I think it is readily comprehensible, and I hope it will help to inform the public as well as Members of the House.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Will the Attorney-General note that when, along with my Intelligence and Security Committee colleagues, I questioned Dr Kelly two days before he died, I formed the view that a very distinguished public servant was deeply distressed by the situation in which he had placed himself? Although I am wholly unpersuaded by any of the theories that have been put forward as an alternative to suicide, will the Attorney-General spell out what he thinks will be lost by allowing the process of inquiry to be completed by an inquest?

The Attorney-General: The first problem is that there is no basis on which the High Court could possibly order an inquest. In my judgment, if I were to go to the Court and make such an application, it would be dismissed, and dismissed with—I assume, on the basis of my reasoning—a certain amount of irritation, because such an application must be made on an evidential basis.

We have also held an inquiry. I make the point in the schedule that the suggestion that the inquiry was in some way inferior to an inquest, in the sense that it was unable to look at some of the things that an inquest could have looked at, really does not bear any reasoned—either logical or legal—examination. Therefore, in practical terms, the inquest—or something tantamount or equivalent to it—has already taken place. On top of that, a review has been carried out in the knowledge of public anxiety by eminent professionals, who have looked specifically at the anxieties that have been raised, either by the memorialists or others. In each case, they have said that the original findings were correct.

I should just make the point that there was one exception: the timing of death was reviewed, because the conclusion was reached that the tables that were used by the pathologist at the time—through no fault of

that pathologist—were in fact not accurate. That is a question of the development of medical science. With that exception, nothing calls into question any of the detailed findings or comments that were made originally.

Mr Tom Harris (Glasgow South) (Lab): May I warmly welcome the Attorney-General's statement? He will of course know that this will do nothing to discourage the paranoid conspiracy theorists, but on the other hand they would not change their minds just because of the existence of evidence even if an inquiry went ahead.

Speaking of paranoid conspiracy theorists, where is the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker)? When only last year he told the media that the Hutton inquiry had cut corners, was he speaking on behalf of the Government?

The Attorney-General: I am quite sure that he was not speaking on behalf of the Government. In any case, the Government do not have a position on the matter. I have a position on the matter, based on my review, and I am sure that many Members across the spectrum have individual views on the subject, and that is their entitlement—as it is of anybody in this country.

Karl McCartney (Lincoln) (Con): I listened intently to my right hon. and learned Friend's statement, particularly the part where he mentioned that he had not received any representations from ministerial colleagues. Will he clarify whether he consulted the Prime Minister in advance of coming to the House to make this statement?

The Attorney-General: I most certainly did not, and it would not have been proper for me to do so. Nobody has spoken to me about it, and that applies to all my ministerial colleagues.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): As a member of the Foreign Affairs Committee when it took evidence from Dr David Kelly—as was my hon. Friend the Member for Leeds North East (Fabian Hamilton)—I have followed these proceedings probably more closely than other hon. Members. I thank the Attorney-General for his statement and ask him to remind those who remain unsatisfied that they also have a responsibility to the family of Dr David Kelly and, unless they can really substantiate their claims, they should look at the evidence in front of them and be satisfied.

The Attorney-General: The evidence is there in the Library to see, and it will be available to the public as well. I hope that those who have concerns will take the time to look at the material. Of course, the background to this is a human tragedy of great pain for the family, and that is why I hope that people will be convinced that this matter should now be laid to rest.

Sir Peter Bottomley (Worthing West) (Con): What in my view distinguishes this case from the sad case of Jay Abatan, who died on 29 January 1999—an inquest was held 10 years later, at which new evidence came forward—is that in this case there were no new witnesses or evidence. In relying on the work of Lord Hutton's team and others, I hope that my right hon. and learned Friend will accept that those of us who believe that Lord Hutton came to the wrong conclusion on the main parts of the inquiry can maintain that belief. If he had come to a different conclusion and used a gentler form of words than "sexed up"—or whatever the expression was—we would have had a near perfect ending to what was a very bad episode in which the previous Government behaved appallingly.

The Attorney-General: I understand the point that my hon. Friend makes. The review that I carried out was focused on the cause of death, because it was the calling into question of the inquiry's findings and of the signing of the death certificate that started the spiral of speculation that has grown from that. I focused on that issue and my conclusions are directed to it. I appreciate that there are wider issues that Lord Hutton tried to address, but they are not matters that I have sought to reopen. I know that those matters remain controversial to many.

Kelvin Hopkins (Luton North) (Lab): My hon. Friend the Member for Glasgow South (Mr Harris), who is no longer in his place, referred in passing to the book written by the hon. Member for Lewes (Norman Baker), who is now a Minister. Did the Attorney-General respond specifically in his judgment to some of the points made in that book and would he care to say briefly what he thought of it?

The Attorney-General: I have looked at the book on several occasions. It is partly a critique of the evidential process of the inquiry and partly a speculation—I do not think it has ever been suggested that it is anything more than speculation—about alternative possibilities for what might have happened to Dr Kelly. Having focused on the evidence, I have come to conclusions on the evidence. I hope that, as a result, my hon. Friend the Member for Lewes (Norman Baker)—quite apart from anyone else—may conclude that this was in fact a case of suicide.

Patrick Mercer (Newark) (Con): May I thank the Attorney-General for the clarity that has been shed on this subject? However, there is no doubt that certain bodies will now ask for a judicial review of his decision. Would the Government care to undertake not to order costs to be raised against them in the event of that application being unsuccessful?

The Attorney-General: I have to say to my hon. Friend that that is a hypothetical question. It is obviously open to individuals to apply for judicial review of my reasoning and decisions. At the moment, I simply express the hope that they will not feel the need to do so.

Thomas Docherty (Dunfermline and West Fife) (Lab): Will the Attorney-General say whether he would be content if one of his ministerial colleagues were to publicly dissent from his decision, given his quasi-judicial role?

The Attorney-General: I am not aware of any ministerial colleague having expressed any view that dissents from my decision.

Tom Brake (Carshalton and Wallington) (LD): Does the Attorney-General understand why, given that key witnesses were not called during the Hutton inquiry,

[Tom Brake]

that the inquiry did not have legal standing and that further evidence has come to light since, some—including Dr Stephen Frost—consider that inquiry to have been inadequate? Does the Attorney-General also understand why doubts will remain about the process followed, if not necessarily about the cause of death?

The Attorney-General: I am aware that doubts were expressed about the process. I have reviewed the process, but above all I have reviewed the evidential conclusions based on the process and the evidence. The conclusion that I have reached is that the process came to the correct conclusion. On that basis, it seems to me that it achieved what it set out to do and did it properly.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I came to this statement prepared to be dissatisfied with what I would hear because I have spoken to one of the country's leading cardiovascular surgeons who has received evidence—admittedly second-hand and not directly—and who has said to me on several occasions that Dr Kelly could not have died from a slit to the wrist, because that would not have caused death. However, that surgeon did not of course consider in that judgment what chemicals or drugs Dr Kelly might have taken. So I commend my right hon. and learned Friend. From what I have heard today, he has conducted a thorough and impartial inquiry. I reserve judgment because I wish to read the material he has placed in the Library, but unless new evidence comes to light, I think a line should now be drawn under this matter to allow the family to put it behind them.

The Attorney-General: I am most grateful to my hon. Friend. I listed in my statement the causes of death as they were found and put in the death certificate, and that has been reviewed in great detail. The unequivocal view of Dr Shepherd and Professor Flanagan is that those causes of death are entirely correct, and that the combination of factors as listed was what caused the death of Dr Kelly. Of course, the primary cause was the fact that he slit his wrists and took an overdose.

Mr Robert Buckland (South Swindon) (Con): As someone who also harboured doubts about the quality of the process before the Attorney-General's review, may I welcome the clarity of his statement? Does it amount to this—in focusing on the function of a coroner's inquiry, which is to look into nothing more or less than the cause of death and to reach a verdict from a range of options available as a matter of law, is he telling the House that any inquest would have been driven to a verdict of suicide?

The Attorney-General: Yes, indeed. There is no evidence that I have seen, including the material that has been produced on the review, that could lead to an inquest coming to any other conclusion.

Bob Stewart (Beckenham) (Con): Does the Attorney-General agree that his statement today should put to bed some of the outrageous and fallacious speculations that members of our security forces might have murdered Dr Kelly?

The Attorney-General: I entirely agree with my hon. Friend. I have to say that those suggestions have always struck me as being at the rather far-fetched end of the spectrum. The evidence overwhelmingly shows that Dr Kelly committed suicide: he was not killed by anyone.

Mr Peter Bone (Wellingborough) (Con): The Attorney-General has done the House a great favour by coming here and making such a full statement. It should be an example to other Ministers. He said in his statement that he is routinely asked to apply to the High Court for inquests. For the House's information, will he say how many times he has actually gone to the High Court?

The Attorney-General: Generally speaking, I do not have to do it myself, but give permission for it to be done. I did that very recently in a case where a body had been found and never identified. Some considerable time afterwards identification became possible, so the inquest had to be reopened for the purpose of identifying that the person who had died and had been long buried was, in fact, the person concerned. That is an example. It is part of my functions to do it. I have to review each such case, but generally speaking, I give my permission to others to do it, and do not have to take that role myself.

Robert Halfon (Harlow) (Con): I commend my right hon. and learned Friend on his statement, and hope very much that it will draw a line under all these conspiracy theories. Does he agree that these theories came about because of the previous Government's mishandling of the case for the Iraq war, particularly the 45-minute claim about an attack on British targets?

The Attorney-General: My hon. Friend asks me to stray from the role that brought me to the Dispatch Box as the guardian of the public interest and into the realm of politics. I shall restrain myself from doing so.

Madam Deputy Speaker (Dawn Primarolo): Attorney-General, thank you very much. I know that the whole House appreciates the detailed answers and your statement today. It is widely appreciated.

POSTAL SERVICES BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)).

That the following provisions shall apply to the Postal Services Bill for the purpose of supplementing the Order of 27 October 2010 (Postal Services Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion three hours after their commencement at today's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mr Dunne.)*

Postal Services Bill

Consideration of Lords amendments

Clause 2

REPORT ON DECISION TO DISPOSE OF SHARES IN A ROYAL MAIL COMPANY ETC

1.1 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I beg to move, That this House agrees with Lords amendment 1.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to consider Lords amendments 2 to 11.

Mr Davey: I would like briefly to take hon. Members back to the Bill's Third Reading in this House, when I marked the passing of the Bill into the capable hands of the other place by saying that the coalition Government's decision to take on this difficult issue showed them at their strongest and most radical. As we welcome the Bill back, I would like to add to that and say that the Lords amendments before us today also show government at its most open-minded and collaborative, because they represent the constructive and collective efforts of both sides of the other place to improve and strengthen the Bill. The amendments in this group concern part 1 of the Bill and the provisions for the ownership of Royal Mail and the Post Office. I am clear that when it comes to undertaking a sale of shares in Royal Mail, the Government must have the flexibility to negotiate the right deal at the right time.

I know that hon. Members have been anxious to hear more about the next steps in our plans for Royal Mail, so with your indulgence, Madam Deputy Speaker, and in the interests of transparency, I would like to set out briefly the next two crucial steps that need to be taken to secure the future of Royal Mail. As my noble Friend Baroness Wilcox said on Third Reading in the other place, the Government intend to take on Royal Mail's historical pension deficit with effect from March 2012 as part of the preparations for the sale of the company. I am sure that hon. Members will appreciate what a relief it will be to the 435,000 members of the Royal Mail pension plan to know that their accrued pension rights will be protected sooner rather than later.

The key concern of people up and down the country is that the universal service must be protected. To do that, Royal Mail needs to be on a sustainable commercial footing. The company currently has about £1.7 billion of debt facilities with the Government. We need to restructure the company's balance sheet in due course, and in order to put Royal Mail on that sustainable commercial footing, we will need to reduce significantly that level of debt. Of course, we will need approval from the European Commission to provide this financial support, and we have already begun informal discussions with the Commission. The Government will submit a formal stated notification in the next few days, and I hope that the process will be completed by March 2012.

We will discuss amendments to part 3 of the Bill, which deal with the new regulatory regime, later on, but of course implementing that regime will be another crucial step towards securing the future of the universal service. I would like to assure hon. Members that the work to establish this is already under way. In particular, Ofcom, the new regulator, will launch a consultation in the autumn with a view to establishing the new regulatory framework in the spring of 2012. I hope that that update is helpful.

I begin my main remarks on this group of amendments by commending Opposition Members on pushing us on whether, given our commitment to transparent government, more could and should be done to offer more information to Parliament. Amendment 1 is a direct response to that. Clause 2 already commits the Government to report to Parliament when a decision to dispose of shares has been made. Amendment 1 adds three new requirements for that report: first, that it must include the objective for the sale; secondly, that it must include details of the expected commercial relationship between Royal Mail and Post Office Ltd following the disposal of shares; and thirdly, that where the proposed disposal would result in shares being placed into the employee share scheme for the first time, the report must include details of that scheme. As I previously said to the Public Bill Committee, I will ensure that shares are placed in the employee share scheme from the time of the very first sale of shares in Royal Mail.

The second of the new requirements—to provide information on the expected commercial relationship between Post Office Ltd and Royal Mail after the sale of shares—will work together with amendment 9 to address a key concern that I know is held by many in the House. After much debate in the House and elsewhere, I can still see no reason why the strong commercial relationship between Post Office Ltd and Royal Mail should weaken after the two companies have been separated. More importantly, the senior management at Royal Mail has been clear that this relationship will continue. That is why the chairman of Royal Mail, Donald Brydon, felt able to say to the Bill Committee that prior to a sale of shares in Royal Mail, the two companies would put in place a new contract for the longest time legally permissible. I have gone on the record—and I am happy to do so again today—as saying that the Government, as sole shareholder, will ensure that the two companies fulfil this commitment.

The negotiation of that contract is, rightly, a commercial matter for the two companies, and not for the Government or this legislation. However, Lords amendment 1 will ensure that, prior to a sale of shares in Royal Mail, Parliament has a snapshot of the expected commercial relationship following the sale, and Lords amendment 9 would make it clear that the annual report on the post office network must include information every year on the postal services provided as part of that relationship. Lords amendment 10 is a technical amendment to clarify the enforcement powers that apply to the annual report on the post office network.

There can be no doubt that the future of this iconic British institution is of enormous interest to Members of this House and in the other place. I believe that a mutual Post Office is a radical and exciting proposal, and one that is supported by all parties. However, I acknowledge that our position—that mutualisation must be a bottom-up process that engages sub-postmasters, customers and management—means that we cannot be as explicit now about what that mutual will look like.

[Mr Davey]

Co-operatives UK has now published its report on the options for a mutual, and that report will form the basis for the Government's full public consultation in due course. Until the conclusion of that process, the Government remain open to all views. We will not dictate the form that mutualisation will take.

To give both Houses more oversight of what an eventual Post Office mutual might look like, we have tabled Lords amendments 2 to 8, which would introduce the affirmative procedure to the powers to mutualise Post Office Ltd. Furthermore, those amendments would ensure that the report on mutualisation provided for under clause 5 must be laid prior to the vote, so that hon. Members have full and detailed information on the mutualisation plans before they debate and vote on them. Let me be clear, however, that the plans, as I have said before, will be developed from the bottom up and in full consultation with all of the Post Office's major stakeholders.

The last amendment in this group—Lords amendment 11—addresses an issue that I know is close to the hearts of many hon. Members. When my right hon. Friend the Business Secretary opened the debate on the Bill on Second Reading, he talked of this country being a pioneer of postal services in the 19th century. It is that proud and rich postal history that Lords amendment 11 seeks to protect, by requiring Royal Mail to report annually on its activities in relation to the British postal museum and archive. Having visited the British postal museum and archive, I can say that it provides a wonderful and fascinating record of our postal heritage, and is absolutely deserving of the protection that Lords amendment 11 seeks to provide. I would be quite keen to share with the House the benefit of my visit and some of the lessons that I learnt—for example, that the first post boxes were green, before moving to chocolate brown and then ending up one of the shades of red that we see across our country—but I am sure that you would bring me to order if I did, Madam Deputy Speaker.

In conclusion, the amendments in this group respond to a number of concerns raised in both this House and the other place. They seek to offer more information on the implications of the sale of shares, more parliamentary control over Post Office mutualisation and greater transparency of Royal Mail's heritage activities. I believe that the objectives that they seek to achieve are truly cross-party objectives, so I would urge the House to agree to them.

Nia Griffith (Llanelli) (Lab): It is indeed our intention to be a constructive Opposition and to welcome amendments that improve the Bill. However, even though we welcome some of the amendments this afternoon—particularly where they reflect to some degree the position that we have taken on aspects of the Bill—we remain totally opposed to the main purpose of the Bill, which is to sell off Royal Mail 100% to private enterprise. That is completely different from our proposal, which was to keep Royal Mail in majority public ownership. Selling off Royal Mail into 100% private ownership means that only through the regulatory regime will the Government and the taxpayers of this country have any influence on the service provided.

Lorely Burt (Solihull) (LD): Will the hon. Lady give way on that point?

Nia Griffith: I shall take your advice on the matter, Madam Deputy Speaker; I believe that the hon. Lady should stick to the amendments on the Order Paper.

This first group of amendments concerns the sell-off of Royal Mail and the splitting up of the Royal Mail Group into a privately owned postal service and a publicly owned network of post office counters. It is against that background that we should consider Lords amendment 1, which requires that when the Secretary of State lays before Parliament a report on the disposal of a Royal Mail company, it should include

"information about the expected commercial relationship…between the Royal Mail company in question and any Post Office company".

We genuinely welcome the inclusion of such information in the report, but no one should be under any illusion that this in any way constitutes an inter-business agreement between Royal Mail and the post office network. Hooper recommended in his report that there should be a long-term agreement between Royal Mail and Post Office Ltd, and the National Federation of SubPostmasters has asked for an IBA of a minimum of 10 years. We have repeatedly called on the Government, at all stages of the Bill, to include an inter-business agreement in the legislation, and have tabled amendments to that effect.

One third of Post Office Ltd's revenue comes from Royal Mail. Without that revenue, Post Office Ltd would be unable to keep many post offices open. With the greatest of respect to Moya Greene, the current chief executive officer of Royal Mail, who has talked about a privatised Royal Mail continuing to use the post office network, it is no good simply having fine words. Those fine words need to be translated into a proper bankable contract—a proper agreement. Other countries manage to put agreements into their legislation, but the real difficulty in this case is an intense obstinacy on the part of the Government, who have set themselves against enshrining any protection for the post office network in legislation.

A profit-hungry privatised Royal Mail will be looking to cut costs and maximise profits. That could result in Royal Mail drawing up an agreement for part or even all of its services with providers other than the post office network, such as a supermarket chain or a high street store. A privatised Royal Mail may well wish to continue to have some sort of agreement with Post Office Ltd, but that agreement could be for a much reduced service from that which the Post Office currently provides. It could involve just a small proportion of the current network of Post Office branches. That could give rise to the surreal spectacle of some post offices being places where people could hand over their parcels or register their letters, with other post offices not offering postal services. It sounds a bit like a children's riddle—"When is a post office not a post office?"—but it would be no joking matter for our post office network or for the public, who want easy access to postal services, if such services were available at only some of the current post office branches.

1.15 pm

Any decision by a privatised Royal Mail to reduce the number of branches that it uses would have a catastrophic effect on the income of the post office network, and

threaten the viability and very existence of any branches that Royal Mail chose not to use. It is therefore regrettable that the Government have refused to include a clause in the Bill requiring an inter-business agreement and that Lords amendment 1, which requires a report on such an agreement, is the nearest that they are prepared to get. The amendment does, nevertheless, mean that the report that the Secretary of State lays before Parliament must include some mention of the expected commercial relationship between Royal Mail company and any Post Office company, and for that reason we welcome it.

Let me turn to the part of Lords amendment 1 that deals with shares. We accept the principle of employee shares, and appreciate the benefits that such schemes can bring, but in this instance employees will need to know a lot more about exactly how any scheme would work. We have pressed for greater detail about the scheme, so we welcome the proposal in the amendment that a report be laid before Parliament setting out the detail of a proposed employee share scheme before the disposal of Royal Mail takes place. In Committee, we pointed out that the Bill as it stands requires employee shares to be offered only when the last Crown share in Royal Mail has been sold. We argued the case for a trigger that kicks in when the first shares are sold. The Minister for postal services has suggested that, despite the wording of the Bill, the Government would, in fact, make available some employee shares when the first disposal is made. I very much welcome his confirmation of that point today, so that employees will not have to wait until the last Crown share is sold before being able to apply for any employee shares.

There remain, however, a number of unanswered questions, on which I hope the Minister can give us some guidance today. Would shares be held on an equal basis, with equal voting rights for each shareholder and an equal distribution of dividends, or would some shareholders be more equal than others? In Committee, we made the case for more than 10% of the shares to be in the employee share scheme; we have suggested up to 20%. That case is backed by specialist bodies that gave evidence to the Public Bill Committee, including the Employee Ownership Association and ifs ProShare. Is there any chance that the Government might consider that?

We would also like greater certainty about the eligibility criteria. Who would be entitled to shares or share options, and what would that mean in practice? Would employees be able to act to influence the strategic direction of the company to some extent, albeit from a minority position? In particular, what is to prevent shares from going to employees one day and being sold within a year or two? We all know of previous examples of where that has happened, with shares being rapidly sold on to big institutions. What mechanisms are the Government considering to prevent that from happening? We hope to hear from the Minister the extent of the detail that the Government intend to report and how much time they will provide for Parliament to consider the report.

We welcome Lords amendments 2 to 8, which give Parliament increased control over the mutualisation of a Post Office company. The effect of amendments 2 to 4 would be to subject the disposal of the Crown's interest in a Post Office company to a relevant mutual to the affirmative resolution procedure. That would require the Secretary of State to lay a draft order before Parliament and for it to be approved by both Houses before it could be made. Lords Amendments 5 to 8 require the Secretary of State to lay a report before Parliament before an order directing the issue or transfer of shares or share rights in a Post Office company to a relevant mutual is made. That is an improvement on the original requirement, which was to lay a report after any direction for the disposal of the Crown's interest in a Post Office company to a relevant mutual had been made.

These amendments strengthen the opportunity for Parliament to scrutinise any proposals for the mutualisation of the Post Office. This is important because considerable challenges must be faced before any such mutualisation can take place. We welcome the work on mutualisation detailed in the recently produced report by Co-operatives UK, which includes information on various mutual options, and on the ownership and governance of a potential mutual, but we recognise that the real challenge is to make the post office network viable. For all the Government's fine rhetoric, we are concerned about their failure to guarantee business for the post office network. For mutualisation to be a success, we need to see a serious, viable business plan for our post office network. We are fully aware of the Government's plans to spend money on the network, but their accompanying document "Securing the post office network in the digital age" does not address the issue of how to generate new streams of business for the network.

Post office income can be divided into three main categories—Royal Mail business, Government business and other commercial business—and the Government have failed to provide guarantees of business in any of them. I have just explained how the lack of an inter-business agreement between a privatised Royal Mail and the post office network could result in the loss of all or a substantial part of Royal Mail business from the post office. As for the Department for Business, Innovation and Skills' claim to be making the Post Office a front office for Government business, that message does not seem to be getting across to other Government Departments.

For example, we have just seen the Department for Work and Pensions award the contract for benefit cheques, the so-called green giros, to a rival organisation. Apart from a couple of pilot projects, there has been little progress on the proposals for more Government business made in a letter from the National Federation of SubPostmasters to the Secretary of State for Work and Pensions dated 23 September last year. At the moment, the post bank promised in the Liberal Democrat manifesto and mentioned in the coalition agreement looks like just another broken promise and missed opportunity, especially after Labour had laid the foundations for it before we left government. Nor is there any sign of any other substantial new commercial business for the post office network.

This complete failure to introduce new streams of business calls into question the wisdom of the way in which the £1.34 billion of taxpayers' money allocated to the Post Office is being used, with the subsidy for running the Post Office and the provision of a few new counters seemingly accounting for the lion's share of the funds. This also raises the question of what will happen when the subsidy runs out in 2015. The Government have stated that they wish to reduce their subsidy, but if

there are no new streams of Government business to make the network more viable, the post office network will be in serious trouble. However, the fact that Lords amendments 2 to 8 improve the opportunity for parliamentary scrutiny means that we will support them.

We welcome Lords amendments 9 and 10, which clarify that in the Post Office company's annual report to the Secretary of State on the post office network, details of postal services provided under arrangements between a Post Office company and a universal service provider must be included. We welcome any amendments that improve clarity and increase the opportunity for parliamentary scrutiny.

Lords amendment 11 would require Royal Mail to report annually to the Secretary of State on its activities in relation to the British Postal Museum collection and the Royal Mail archive. The proposal would also require the Secretary of State to lay the report before Parliament. In Committee, we sought amendments to ensure that the work of the British Postal Museum and Archive—the BPMA—would continue following the passage of the Bill, and that the heritage cared for by the curators of the museum would be protected. That protection needs to be strengthened, because the Bill moves us away from a situation in which one Government-owned company, Royal Mail, is clearly responsible for supporting and safeguarding our postal heritage, to one in which there will be at least two companies with different ownership models. There will also be the potential for a privatised Royal Mail company to be taken over, perhaps by foreign postal administrations or other companies with no interest in supporting Britain's postal heritage.

I do not feel that the Lords amendment is as strong as the one that we originally proposed. Nevertheless, anything that we can do to protect our heritage is to be welcomed. The BPMA is the leading resource for British postal heritage. It cares for visual, physical and written records dating back more than 400 years, including stamps, poster design, photography, staff records and vehicles. The BPMA is the custodian of two internationally significant collections—the Royal Mail archive and the collection of the former national postal museum. Together, the museum and archive collections form a unique record of a national institution, and offer a fascinating perspective on the history of British society, design and industry. We want the strongest possible protection for the British Postal Museum collection and the Royal Mail archive, and although we were looking for stronger protection, we are of course pleased to lend our support to that amendment.

Lorely Burt: I welcome the Lords amendments that we are considering today. They are an indication of the way in which the Government and the Opposition can work together, because the Government have obviously listened to the constructive suggestions made by Members on both sides of the House. There is a great deal of consensus; I believe that the amendments went through the other place without a Division. That goes to show just how well things can work when everyone is minded to make that happen.

On the subject of shares going to employees, when I wrongly tried to intervene on the hon. Member for Llanelli (Nia Griffith), I was going to point out that it is not 100% of the company that is being sold off to private interests: it is actually 90%, and 10% will go to the employees. The benefits to those employees will be huge. The Bill recognises the importance of the work of the conscientious postman or woman who keeps the post coming through the letterbox six days a week, come rain or shine, and the importance of the work force to the success of the company. The proposals will offer real benefits to the employees.

I greatly welcome the fact that the pension plan members will be protected and that the subsuming of the pension plan is being brought forward. That will give tremendous reassurance to prospective pensioners in Royal Mail. Perhaps most importantly, and despite the disagreement of the Opposition, we are securing the future of the company. The worst thing would be for the Government to do nothing, which would allow Royal Mail to decline and fall. It is an unfortunate fact that, under the previous Government, 65,000 Royal Mail employees lost their jobs and 7,000 post offices were closed. The future of the post office network is now secure. I also greatly welcome the proposal for a vote before mutualisation. That will put in place important protections.

I should like to ask my hon. Friend the Minister a few questions. Does he think that I have understated the benefits for employees? Can he think of any others? Can he give me an assurance that the universal service obligation will be properly protected? Has he had any discussions with representatives of the Communication Workers Union, and, if so, what do they think about the proposals?

Jack Dromey (Birmingham, Erdington) (Lab): It is important that, when we come to the House, we should reflect the feelings of our constituents. I should therefore like to tell two stories. First, just before Christmas, I visited the local postal sorting office at Sutton New road. I spoke to each of the excellent men and women there. They told me how they had worked there for 10, 15 or 20 years. Some had worked there for 25 years. They work in all weathers to provide an outstanding service to the people of north Birmingham. They felt bitter about what they regard as a betrayal of their loyal service to the country.

Secondly, I want to tell a story not so much about a local post office as about a local entrepreneur who wants to reopen a post office. We have in Perry Common a community well served by the Witton Lodge community association. That community has backed an individual who now runs the local grocery shop—it used to be a sub-post office—and he wants to reopen that post office. Through me, he has approached both the Post Office and the Government for support, only to have it declined. If I may, I will return to that matter at the conclusion of my remarks.

1.30 pm

The Lords amendments focus on local post offices, among other things, and the evidence is clear that they are finding it increasingly hard to survive. By some estimates, only 4,000 of the UK's 11,905 post offices are economically viable. Despite assurances from the Government that there will be no further programme of post office closures, the evidence shows that branches are closing every day of the week. More than 150 offices are closed on a long-term "temporary" basis and there

is no guarantee that these will re-open; many are likely to stay closed indefinitely. As Consumer Focus stated in a press release,

"we have continued to see a dwindling in the overall number of branches."

Nationwide, 900 post offices are up for sale. That is why the Post Office cannot afford to lose any more revenue. The post office network is already loss making and depends on an annual Government subsidy to remain afloat. In 2009-10, the Post Office made an operating loss of £80 million before Government subsidy and its financial position continues to weaken. Its target this year, excluding subsidy, is for a £120 million loss.

The Government have pushed through this unwelcome Bill, allowing the privatisation of Royal Mail with scant regard for the consequences for the post office network or the universal service of a six-day delivery at a uniform, affordable price across the whole of the UK. As the Labour Front-Bench team has made absolutely clear, we continue to oppose the wholesale privatisation of the Royal Mail. We called on the Government for a guarantee of an inter-business agreement between Royal Mail and Post Office Ltd. The Government have refused to listen to that, including in these amendments, so they are abrogating their responsibilities to the post office network.

I have to say that Conservative and Liberal Democrat MPs are quick to use the Post Office in their localities for their own political ends, but not as quick to stand up in this place for their local post offices in their time of need. I also have to say that the Government's approach calls into question the logic of allocating £1.3 billion of taxpayers' money for subsidy and refurbishment of post offices when the Government are not prepared to put a clause in the Bill to guarantee the future of Royal Mail business to the Post Office.

The Minister referred to history, and this remarkable institution of the Post Office certainly has a remarkable history. We have seen over the last 50 to 100 years how it has developed ground-breaking initiatives that make no profit but serve the community—ranging from free delivery of articles for the blind to answering letters written to Santa free of charge.

Returning to the issue of the Post Office—

Madam Deputy Speaker (Dawn Primarolo): I might be anticipating what the hon. Gentleman is going to do, but may I remind him that these Lords amendments are quite specific, so he needs to focus his remarks on them? Perhaps he was just about to do so.

Jack Dromey: I was just about to do so, Madam Deputy Speaker, but like the Minister, I embarked on some historical anecdotes, as the Post Office is very proud of its history.

There is a simple inescapable reality, which is that the Post Office is dependent on Royal Mail's business. A third of its revenue—£334 million—and a third of sub-postmasters' pay—£240 million—is generated by selling Royal Mail products and services. The Bill does not safeguard on a continuing basis the inter-business agreement. The Government will not undertake to extend the current five-year guarantee to 10 years. Key stakeholders recognise the importance of making a longer commitment on the IBA. Let me cite what Consumer Focus said in its evidence to the other place:

"There are few safeguards to keep that contract for the long term. It's entirely conceivable—though it seems an odd thing to suggest—but several years down the line you could have a post office network where you cannot undertake mail transactions. It would be for Royal Mail to determine which operator—whether it was Post Office Ltd or Tesco or whomever—to offer mail services and there would be no requirement for stamps or parcels."

It continued:

"You could see a scenario where Royal Mail looked to cherry pick so Tesco, say, could meet its requirements in urban areas and the Post Office would pick up the slack in rural areas where there isn't anybody else. And that has very serious implications in terms of the viability and integrity of the network because urban areas typically make money."

Consumer Focus went on to argue that the number of post offices could fall by 37% as a consequence of these measures—from the current level of 11,900 to the minimum number consistent with the Government's access criteria of 7,500. In Birmingham alone, seven post offices face closure.

The National Federation of SubPostmasters has added its call to the need for action. It also argues for a minimum 10-year IBA. Let me quote what it says:

"The NFSP believes that in order to avoid further post office closures, existing levels of Royal Mail work at post offices must be maintained with a minimum 10 year IBA between the two companies following separation."

The Government's stance is clear, albeit sad. They have rejected a number of opportunities to make the commitments that have been called for.

Fiona O'Donnell (East Lothian) (Lab): Is my hon. Friend aware of the recommendation in the Select Committee on Scottish Affairs report that the Government should be doing more to remove the barriers to local post offices providing services in relation to devolved and local government?

Jack Dromey: To develop our post office network, it is necessary to be imaginative and creative. Sadly, we are moving in the opposite direction.

The Government's stance could not be clearer. They have rejected a number of opportunities to make the commitment firm in this important legislation. They have declined to accept a statutory commitment, as exists in countries such as Germany and the Netherlands, to a figure of 11,500. They have rejected the embedding in the Bill of the access criteria on how near people's local post office will be. Post offices locally cannot live on warm words alone; good intentions and high hopes mean naught if we cannot have guarantees for the future.

Lorely Burt: Will the hon. Gentleman refresh my memory on how many new post offices were created under the Labour Government? Was there not a net decline, or managed decline, of the Post Office amounting to 7,000 post offices. Why does he decry the fact that this coalition Government are doing all they can to preserve and enhance the post office service that we have inherited?

Jack Dromey *rose*—

Madam Deputy Speaker (Dawn Primarolo): Order. We are supposed to be discussing amendments that have come from the House of Lords and deal with commercial relationships, the interaction between various bodies and the issue of an employee share scheme. I would be grateful—no, I insist that Members stick to the amendments before us on these important issues.

Jack Dromey: In that case, I must regretfully resist the temptation to respond to the hon. Member for Solihull (Lorely Burt), much as I should like to do so.

Let me make a point that goes to the heart of what you have just said, Madam Deputy Speaker. We have been given few assurances about the method by which Royal Mail may be sold in a way that guarantees value for money for the taxpayer, and we have no idea who its new owner might be. We have no assurance that employee shares will be held in trust and could not simply be sold on in a short period, which would defeat the objective of employee involvement. We do not know for sure that access pricing for Royal Mail competitors will be fair. An IBA should have been included in the Bill, on a continuing basis. What will happen to the post office network after 2015, when the comprehensive spending review money runs out but the Bill's provisions do not, and when, sadly, we then embark on the path towards privatisation of Royal Mail?

Let me return to the two constituency stories that I related earlier. Few jobs in Britain have been immortalised in children's books, but Postman Pat reflects the high regard that exists for the postmen and postwomen in Birmingham and Britain, and they feel badly let down by the Bill. Will the Minister accept my invitation to visit Perry Common and meet Tarnjhit Dhesi, members of the Witton Lodge community association, and representatives of local care homes and tenants' organisations? Will he sit down and listen to the case that they have put for the reopening of their post office in a small high street that some entrepreneurs are trying to regenerate, at the heart of which is an admirable man who wants to provide a service for the community?

That man said this to me: "Jack, I don't understand why I read all these stories about the commitment to the post office network. The post office here closed a couple of years ago. We want to reopen, but the door has been shut in our faces." Will the Minister translate his commitment to local post offices into action by coming to hear the voice of local people who want a local post office?

Damian Collins (Folkestone and Hythe) (Con): Following the speech by the hon. Member for Birmingham, Erdington (Jack Dromey), I wish to raise a few points relating to the inter-business agreement and the post office network.

The network should be under some obligation to adapt itself to the framework established by the Government. The creation of the post office local format, which allows limited services to be provided through other retail businesses, is an example of that at work. The location in his constituency that the hon. Gentleman cited may well be the type of location in which the post office can adapt its service to conform with the local retail environment and, in doing so, begin to thrive. I also agree with the Government that mutualisation should be partly a bottom-up process and not entirely driven from the top.

At the end of last year, I met in my constituency representatives of Action with Communities in Rural Kent. Unfortunately, the Bill had already completed its passage through the House of Commons. That organisation does excellent work, with some public support. When a post office closes—not as a result of any decision by the Government or a Minister, but because the person who owned the business has either passed on or retired—the organisation actively seeks a new location for it. In the village where I live, a post office moved from stand-alone premises to the local pub. The mutualisation for which the Bill provides can support such work, and should be welcomed.

The Post Office's own initiatives in developing the post office local format can support the trend as well. As the hon. Gentleman pointed out, the Government's financial guarantee will expire in 2015. The Post Office should be using the intervening period to establish how it can adapt its activity to ensure that its business platform is as sustainable as possible in the future.

The inter-business agreement is a two-way street. In terms of access for British consumers, the post office network is unrivalled by any other retail business. Its footprint is much larger than those of all the supermarket chains put together, and it is very unlikely that Royal Mail could find another commercial provider which could match that. The IBA provides the possibility of an interesting two-way negotiation between the Post Office and Royal Mail. To what extent would Royal Mail like the Post Office to offer mail services from competing companies when it is given the freedom to do so? There is also the possibility that Royal Mail could establish a better relationship with the post office network. The Bill provides the opportunity for a more equal relationship than that which, at present, is skewed in Royal Mail's favour.

There is much to be welcomed in the Bill from a business point of view. The Post Office should see it as an opportunity to embrace mutualisation and a different type of relationship with Royal Mail which will enable it to provide a better service for its customers.

1.45 pm

Mr Mike Weir (Angus) (SNP): I have expressed opposition to post office closures for 10 years in the House, and my view is unchanged. My colleagues and I do not think that the Post Office should be privatised, but the Bill is going through. I would laugh if it were not so sad to hear Labour Members slagging off the Government, given the number of post offices that their party closed, but I had better confine my remarks to the amendments so that you do not call me to order, Madam Deputy Speaker.

Although I welcome Lords amendment 1 to an extent because it would improve the report, it does not provide a guarantee of business. That remains a difficulty: there is considerable uncertainty in local post offices about future business, and I fear that many more will close if it is not dealt with. Many are closing now, not just because of the Post Office side of the business but because of the general state of the economy. At the risk of opening up another front of argument between the two sides, I will cite Ferryden in my constituency. During the closure programme it was agreed that Ferryden's post office was needed, but the post office was in the local shop, which recently closed. The reason was not to do with the post

office itself—and I appreciate that it is not within the Government's immediate control—but the fact that the small shop, the last in the village, was considered to be no longer economic. When the shop went, the post office went as well.

The same difficulty exists in rural areas throughout the country. With respect to the hon. Member for Birmingham, Erdington (Jack Dromey), post offices will not take up the slack in rural areas, because they are closing there as well. It is a simple case of economics. It is unlikely that the Ferryden post office will go to another business, because it does not exist. The chances are that it will end up as an outreach programme and a restricted service to the village. The important thing is to try to keep some postal services in that village. I should have preferred an inter-business agreement that provided certainty about the future level of business. I appreciate the difficulties, but the continued uncertainty does not help.

My main point about the Lords amendment relates to new section (3A)(b), which concerns the proposed share scheme. I wanted to raise the issue at an earlier stage, but unfortunately we ran out of time. The amendment states that when shares are sold for the first time, details of the employee share scheme will be given. However, we do not know what the structure of the scheme will be. Clause 3(2) states that when the Crown no longer owns any part of Royal Mail, the share held by or on behalf of the employee share scheme must be at least 10%. I know that the Minister said that on the first sale of shares the share scheme details would be given, but the 10% is vitally important, because the Bill otherwise allows the sale of 90% of the company to one other entity, such as another postal operator. Leaving aside the argument put by the hon. Member for Llanelli (Nia Griffith) on behalf of the Opposition about whether 10% is an appropriate figure, the choice of this level does present a potential difficulty, depending on how the shareholding is held. In Committee, the Minister was pressed on whether the shareholding would be held in a trust for the benefit of the employees—the so-called John Lewis model—or whether it would be given in individual shares to the workers. We did not receive an answer to that question.

Fiona O'Donnell: Has the hon. Gentleman's party had any discussions with the Government about the future of Royal Mail in an independent Scotland?

Mr Weir: The hon. Lady has taken her chances by asking that question, but it goes beyond the scope of the amendments before us. The Post Office is very important to rural areas of Scotland, and I will merely note that the Scottish Government have done much more than the UK Government to help rural post offices in the future—such as through the diversification and rates rebate schemes. That illustrates what we would do in an independent Scotland.

To return to the point I was making before being led down this interesting side road, the lack of detail about the structure presents a dilemma because, depending on what method is chosen, there could be unintended consequences in the future. If the John Lewis method is pursued, there may well be no problem, in that it will be a trust holding and will, in all likelihood, be held at or above the 10% level. However, if the shares are distributed to individual employees, we could have a very different scenario. Experience of previous privatisations suggests that a number of employees would immediately sell their shareholdings, and others would be likely to sell at some future date, either when they retire or, perhaps, by their executors on death. There is absolutely nothing wrong with that; they would be their shares so they can dispose of them as they see fit. Such actions could, however, have a serious consequence for the continuation of a workers' shareholding within the company, because of the operation of our current company law, and especially as Ministers have made it absolutely clear that they would be relaxed about Royal Mail being bought either by one of the major foreign postal operators or by private equity companies up to the remaining 90% figure.

I remind the House that in cases where private equity companies have bought listed companies, they have on occasion de-listed the company and operated it as a private company. I particularly draw Members' attention to the terms of section 429 of the Companies Act 1985, which gives provision in respect of implementation of the EU directive on takeover bids. One of the purposes of the directive was to deal with the problems of, and for, residual minority shareholders following a successful takeover bid, processes known as "squeeze out" and "sell out". The provisions in question provide that following a takeover offer:

> "If the offeror has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire—
>
> (a) not less than nine-tenths in value of the shares to which the offer relates, and
>
> (b) in a case where the shares to which the offer relates are voting shares, not less than nine-tenths of the voting rights carried by those shares,
>
> he may give notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire that he desires to acquire those shares."

In effect, therefore, anyone who acquires 90% of the shareholding in a company can force the sale of the shares of the remaining small shareholders and become sole owner of the company. If the Government were to sell 90% of Royal Mail to, say, Deutsche Post, there could clearly be a potential difficulty in regard to the workers' shareholding in the future if that is held individually by Post Office workers. If at any time the individual shares held by the work force were to fall below 10%, there is the potential for the owner of the remaining 90% to force a sale and therefore wipe out the shareholdings of the workers.

I am sure the Minister will, in his usual inimitable manner, tell me that I am constructing a theoretical problem that would not occur in the real world, but I wanted to propose an amendment on this point because of a real case of this kind involving constituents of mine. My constituents, who are pensioners, were shareholders in Dana Petroleum, and had been for a large number of years. The company was not paying dividends, but the shareholding did increase in value and my constituents regarded it as a nest egg for the future. Unfortunately, Dana Petroleum was subject to a hostile takeover by the Korean National Oil Corporation, which I believe is state-owned—I believe it is part of a sovereign wealth fund. That company purchased the majority of shares, although my constituents did not wish to accept its offer. The new owners decided to

[Mr Weir]

de-list the company, with the effect that my constituents were forced to sell their shareholdings, in their case causing a capital gains tax liability.

Unless the Government give us details of the form the shareholding will take, there is a genuine danger that we could face that situation within Royal Mail in the future. If the Minister will stand up and say, "It will be the John Lewis model; it will be a share trust of at least 10% of the shares for all the employees in the company", I do not think there will be a problem. Alternatively, however, we might go down the same road as with previous utility sales, where individual shares were given to the workers and that shareholding within the companies has been reduced over the years. It is interesting to note that many of the former utilities are now offering special deals to get small shareholders to sell out their remaining shares because they do not want the small shareholders. Although this idea of worker participation is a good one, I would rather the company was not privatised. If that does happen, however, the bigger the workers' shareholding within it, the better, and the shareholders would, it is to be hoped, have real rights.

As there is a lack of detail on this point, there is a danger that we will end up with nothing for the workers and the company wholly in the hands of one, possibly foreign, postal service or private equity company. The recent experience of private equity companies buying out limited companies is not a good one; we need only look at the current problems with Southern Cross to see that. I ask the Minister to reflect on this issue, and give us an assurance on it, or at least more information as to how the shareholding is to be held.

Jim Shannon (Strangford) (DUP): I am aware that you have asked us to focus on the amendments, Madam Deputy Speaker, and I intend to do just that. I want to focus my comments on Lords amendment 9 to clause 11, referring in particular to the universal service provider. While some level of provision is given, I am not entirely convinced that we will have a better service. That is my opinion, and it is informed by the views of the people I represent, because they are telling me the same thing. It is being said not only by Post Office personnel, and among them it is stated by both those who own post offices—postmistresses and postmasters—and the Postman Pats of this world who do the hard graft out on the streets. Some Members have spoken about the business plan that post offices need in order to make them sustainable. Can the Minister convince me and other Members—and, through the *Hansard* report of the debate, convince my constituents—that the service will continue to deliver in the large rural community I represent that stretches from Portaferry to Ballynahinch?

For many of my constituents, post offices are a crucial part of their community. They are the front office of government. I am unconvinced that the revenues of sub-post offices will not decline, and that could lead to some of them closing. We need the Minister to respond to that point.

Some Members have spoken about the continuity of contracts beyond five years, and that is essential. The postmistresses and postmasters of the rural post offices in the areas I represent have told me that they are under absolutely no illusion about how things will progress, and I say on behalf of them that we need to ensure that they have such continuity.

Under the new law, the universal service for six days a week with one price sending post anywhere could be downgraded in just four years, and it is feared that the everyday post office user will experience price hikes and have to pay for the privatisation. The unions have pointed out the possible consequences of privatisation in respect of postal services, and I look forward to hearing the Minister comment on that point. This has already happened in the Netherlands and Germany, where the rural service has been reduced to three days a week, and the costs have risen.

2 pm

We might find examples where what is being proposed here has not worked out elsewhere, so what lessons have the Government taken to ensure that the same does not happen in this process?

I am keen and anxious to discover whether the Government have taken full account of the views of sub-postmasters. I understand that some 92% of them have said that they feel that the Post Office is "very unlikely" or "unlikely" to survive without the mail business provided by Royal Mail. As so many people are saying that, it would be unwise of the Government to ignore it.

As we all know the statistics on this, I do not intend to go into them. What consideration have the Government given to the crucial role of post offices in the community? I believe that we all agree that our post offices are more than just post offices; they are a social meeting point for a great many people. I know that that does not come into the economics of a post office, but it must be part of the process in deciding which post offices can remain open. Finance will be the driver in that, but post offices provide an opportunity for people to mix and mingle and the staff have clear contacts with the people in the community. Most of the hon. Members who are going to speak today will probably speak from a rural community background. The National Consumer Council has shown that the Post Office was thought to be more accessible than banks, and we cannot ignore that. When we decide what is going to happen with the Post Office today and what could happen in five or 10 years' time, we have to ensure that we will get things right. Only 4% of villages have a bank, whereas 60% of them have a post office, so we should ask communities such as mine about this. It would be remiss of me not to make that point in the House today and not to ask the Government to tell us exactly what assurances we will be given. It is the essentials provided on a week-to-week basis that the banks do not do, because they are not in these places but the post offices are.

What consideration has been given to the view of businesses in rural communities that are near to the post offices? They say that some 15% of their revenue is created in the post offices, so has full consideration been given to that? What assurance do we have that that will continue to happen in the post offices? The fact that the service provision is universal is a crucial factor in what happens and what we take forward.

I raise the following point because I was asked it by the Royal National Institute of Blind People and other hon. Members have alluded to it. If closures go ahead,

they will hit the blind and partially sighted particularly hard, leaving them even more socially and financially excluded than they have ever been before. They will no longer be able to use their local post office to help with the mountain of forms pushed on them by civil servants.

So the role of the post offices *in* rural communities and in urban centres is a crucial factor in terms of how people can respond to any changes that will take place. Worryingly, as I said in my introduction—I will say it again and I look forward to hearing the response—I do not believe that the Government have convinced the general public that the changes that are coming are changes for the better. I am not convinced of that, neither are the people who speak to me, the postmasters and postmistresses, or Royal Mail staff. Most importantly, the general public, who we have a duty and responsibility to look after, are not convinced of it either.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Despite all these amendments, which have been won by clear arguments put by Labour Members in the House of Lords and the Cross Benchers who supported them, I am still concerned about having a Bill that is fit for purpose.

Lords amendment 1 provides a new requirement that the report made by the Secretary of State will make clear the

"objective intended to be achieved"

by the disposal of shares in Royal Mail. I have followed this issue very closely so I know that everything else falls on that. As you know, Madam Deputy Speaker, I am the secretary of the Communication Workers Union liaison group of MPs in this House and have been so for more than a decade. Despite all the Minister's warm words, it is not clear what this is meant to achieve that can be achievable under this privatisation model as structured.

Does the "objective intended" include maintaining Royal Mail as an organisation able to deliver to all parts of the UK for a single charge or two varying charges? The Bill and the amendments provide no guarantees that that is the case. Will that be covered in the report given each year by the Secretary of State to the House in order to show just how far the failure has been progressed, and how far my concerns and those of other Opposition Members have been realised? If we were to fragment Royal Mail—it is entirely possible that that will happen as there is nothing to prevent it under the Government's privatisation model—a Scottish regional mail delivery service could be given responsibility for meeting that objective under this model. That provider might then find that that particular part of the United Kingdom—the same could happen in places such as Cornwall and elsewhere in the south-west—the sparsity of the population and the diversity of the communities mean that it is not possible to make a profit. This process is about a privatisation and about giving organisations the right to run Royal Mail as an organisation that must make a profit. The Bill would allow them to come back to ask the Secretary of State to allow them to get rid of that universal service obligation.

Mr Davey: Will the hon. Gentleman tell the House which part of the Bill he is worried about? Which part will cause the fragmentation he is describing?

Michael Connarty: The part of the Bill I am talking about—

Madam Deputy Speaker (Dawn Primarolo): Order. We are not discussing the entire Bill. We are having a time-limited debate about specific amendments. The Minister knows that as well as every other Member of this House, so I am sure that he does not want to tempt the hon. Member for Linlithgow and East Falkirk (Michael Connarty) down that path. Perhaps the hon. Gentleman can focus specifically on these amendments so that the Minister will not be troubled.

Michael Connarty: I was talking about the amendments; the new requirement in Lords amendment 1 is that the report must include the

"objective intended to be achieved"

by the disposal of shares. That is a specific Lords amendment and I am questioning what will be put before the House as a result. Will it be a report on the progress of fragmentation and of these parts in trying to achieve the Minister's stated aim for his sale of these shares?

The Minister has spoken repeatedly about finding some way of saving the post office network. I know that great steps have been made on the Bill through the amendments won by the diligent efforts of Labour Members and Cross Benchers in the Lords. There will be some sort of inter-business agreement and it will be extended. I know that the Minister is not trying to pull the wool over our eyes, because he is telling us about his aspirations. However, when I hear him talk, I am unsure what his benchmarks for achievement under these amendments will be if it turns out that his idea of having a full network of post offices and post office "locals" does not work, the "locals" fade away and—I believe this will happen—we begin to lose post offices at a faster rate than would have happened under the previous Government's plans to stop the flood by taking out a number of post offices and hoping to leave enough business for those that remained.

I did not agree with that approach, but I recognised what the previous Government were trying to do. I do not understand how the Secretary of State will report on these matters as a result of these amendments. If the report were honest, it might suggest that we have to do something different. I want the Minister to tell us what he feels his duties now are as a result of these amendments or what he feels the duties will be of whoever succeeds him, should there ever be a change of Minister. I do not wish such a change upon him, because he deserves to come back to apologise for everything he is now bringing about.

Is this about return to the Exchequer? Let us look at the attempts of previous Governments to sell shares and at the way in which they sold those shares. The sale of the first tranche of British Telecom shares achieved a 90% profit in one day for those who bought them, because it was an attempt to get quick money into the Exchequer—or was it just to get British Telecom into the private sector? If it was to get money into the Exchequer, the then Government appear to have greatly short-changed themselves and the country. A better example, also in telecoms, is provided by the sale of level 3 broadband, in which we made a substantial

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profit for the Exchequer because of the way in which we auctioned it off, although that did not please people in the industry.

I would like the Minister to tell us how these things are going to work. Will the judgment be based on return to the Exchequer? I know that the Government will, if they get their way, want to balance that against their willingness to take on any deficit in the pension fund that comes with taking on the pension assets. These matters have to be clearly spelt out by the Secretary of State so that people can judge what he is going to do in the Bill. That is what is accepted in the amendment. People want more clarity because we have not been given a clear understanding of the benchmarks and targets that the Government hope to achieve. We have had warm words and aspirations, but given the backdrop—the person who has given those assurances has previously given assurances that they were against full privatisation of the Post Office—we would like to see something a bit more solid on the ground. Perhaps the Minister could say something about what the intentions are.

The amendment also asks for more information about the purpose and structure of the mutualisation. It has been suggested to the Government that it might be useful to set up a task force immediately, but I do not think they have taken that idea up. The idea is to give share options to the members of a work force who have seen 55,000 of their members thrown out the door already and who have heard from the chief executive in the past few days that another 40,000 are about to go behind them, so there is hardly going to be an atmosphere in which anything can be done mutually unless a lot of hard work is done.

I agree with the points made my hon. Friend the Member for Birmingham, Erdington (Jack Dromey) about the hard work and dedication of long-term Post Office employees. We know that people go and work there in the short term and realise that it is a difficult job with unbelievably hard hours and that they often have to work in the most inclement weather to get the mail through. However, many of the people who have been there for a long time want the company to succeed and want its work force to be secured and modernised. A task force would be useful, and it would be useful if the Minister would spell out exactly what will be the benchmark for mutualisation so that the amendments have some value when they are in the Bill.

Mr Weir: The proposal is for the mutualisation not of Royal Mail but of Post Office Ltd, so the average postie does not come into this. They are the ones who will be subject to whoever takes over. Mutualisation will apply only to Post Office Ltd after it is demerged from Royal Mail some time in the future.

Michael Connarty: That is even more frightening. People at that end of the business are facing the same problems from the same management. If the management model has changed, I would like to think that the Minister would put that forward.

Those are my concerns about the amendments, which have been hard won and which came with a promise from the Government that there would be real changes that would make a difference to the Bill. I wonder therefore whether the Minister, if he speaks on this again, will give some idea of what is going on to give us an infrastructure for these matters.

My final point is about the sale of shares to employees. The record is exactly as the hon. Member for Angus (Mr Weir) said. Shares are slowly but surely bought up by large organisations. The famous case is the one with Sid and the idea that Sid had some power, but Sid's shares are probably now owned by several multinational hedge funds or equity funds or perhaps by insurance companies or a pension fund or two. There is this idea that members of the work force will get shares that will give them some sense of ownership, and I remember the first debates in which this was talked about by Ministers. This is one of the myths that the Liberals like to push—that if someone is given a few shares, that will make them a part of the ownership of the business. It does not do that unless those shares come with some powers. As we have seen from many of the banks' recent annual general meetings, even having large amounts of shares does not give one any power over bonuses, performance or the behaviour of the people who run the companies. What will come with the deal apart from a few stocks and shares that will be stuck in the bank until they are sold to fund a holiday?

2.15 pm

Lorely Burt: The hon. Gentleman says that having large numbers of shares does not necessarily help, but being a small shareholder can be extremely helpful in large companies in which even small shareholders have a say and a voice.

Michael Connarty: I only wish that that were true. I assure the hon. Lady that although small shareholders can go along and make a protest and trumpet what they have to say, the bonuses, the sale of companies and the redundancies will still be voted through regardless of small the shareholders' shouting. I am not in the business of standing on the fringe and shouting. I would much prefer the Bill to be rejected out of hand. I am against the privatisation of Royal Mail and I believe that the pension fund deficit was caused by the holidays taken by Royal Mail and Post Office Ltd, which were allowed by previous Governments of both hues. I would rather be standing here opposing what the Government are about to do to Royal Mail because I think that all the assurances we have been given, hard-won though they are, will not make a difference.

Capitalism will work as capitalism works and will do what is to the advantage of the people who hold the majority of the shares for the bottom line of their dividends. That will mean that people will lose their jobs and the Post Office will not be sustained using Royal Mail, which will not continue to provide a universal service at one price. The amendments will have to come with a lot more specific targets, which I do not see in the Bill or in any of the schedules to the Bill. Although I welcome the smaller amendments that have been made in this part of the Bill, I do not believe they will make a major difference to the outcome for Royal Mail or Post Office Ltd.

Mr Davey: The hon. Member for Linlithgow and East Falkirk (Michael Connarty) finished where the hon. Member for Llanelli (Nia Griffith) started—in

total opposition to the Bill. I have to tell the Opposition that they are ignoring the economic and financial reality of Royal Mail. As a result of the reduction in letter volumes because of technology such as e-mail, the internet, text messaging and social networking, it is losing a huge amount of money. The reduction in letter volumes—its core business—is predicted to fall again and again, but it is not only Royal Mail that is affected. Every postal administration around the world is seeing letter volumes and revenues go down. That means that those administrations are leaching money and something has to be done. The previous Government failed to do anything, although I should pay tribute to Lord Mandelson, who had the decency, on Second Reading in the other place, to recognise that we were on the right track with this Bill. The fact that Labour Front Benchers are unable to recognise that today is testament to Labour's unwillingness to face up to the reality of the challenges.

Nia Griffith: I am sorry to stray away from the amendment, Madam Deputy Speaker, but I think it needs to be put on the record that our Bill, as it stood as Lord Mandelson was taking it through the other place, would clearly have kept Royal Mail in majority public ownership. That was written into the Bill, but it is not in the current Bill. We are talking about a totally different Bill that goes for 100% privatisation. They are two completely different scenarios and the amendments in the Bill arise largely from some of the situations created by that difference.

Madam Deputy Speaker (Dawn Primarolo): Perhaps we could return to the amendments. We are debating the Lords amendments to the Bill—this is not Third Reading. The Minister is experienced and knows that. He has made his opening remarks. Will he answer the debate please?

Mr Davey: I am looking forward to doing that, Madam Deputy Speaker. The hon. Member for Llanelli welcomed Lords amendment 1 but felt that it did not go far enough. Despite all the arguments we have had in this place, she still believes that an inter-business agreement should be in the Bill, as do a number of her party's members.

I do not wish to rehearse the long speeches that were made on Report, when our debate on this particular point lasted for about three hours, but let me repeat that putting provisions in the Bill in the way in which the hon. Lady suggests would create a significant risk of legal challenge owing to incompatibility with competition law. In addition, such an approach would almost certainly face a state aid challenge. I would have thought that she would have realised that, because it has been accepted by many who have examined the situation in detail.

The hon. Lady says that the absence of such provisions means that there is no protection for post offices, but the whole point is that the detail set out in our policy statement will enable them to be more profitable. It is real business that will save the post office network, not legal provisions in the Bill, so I disagree with her point.

The hon. Lady spent some time talking about employee shares. The Lords amendments will require the Secretary of State's report to Parliament at the time of first sale of shares to include details about the employee share scheme. I would have thought that she would have supported that welcome development.

We would certainly want to report on such things as the terms by which shares would transfer to the employee share scheme and the design of the scheme. Such detail might include questions of whether there would be a trust model or individual shares, or a mixture of the two. There would also be consideration of the percentages to be transferred and the governance arrangements.

The hon. Lady asked how the shares will be allocated, but clearly that is a point for later discussion. Such a point might be addressed in the report. We can imagine allocating shares to employees on many bases, such as length of service, grade and salary. The Government would certainly not object to a proposal that shares and their benefits should be allocated evenly across employees to ensure that there is equal entitlement regardless of grade, salary or length of service. We have been clear that the scheme is for all employees of Royal Mail, not just the management, so I hope that people will not run away with the wrong idea.

Several Opposition Members asked what would stop employees selling shares immediately. Again, we are not making premature decisions about the scheme's design, but we have always said, as I have repeated several times, that we are designing the scheme with longevity in mind—there are many attractions to a trust model for that very reason. However, it is not true that individual employees' shares are always sold off by those employees. People arguing that point try to pray in aid the BT example, but the Public Bill Committee heard evidence that 66% of BT employees held on to their shares after the share plan had matured, so there is longevity in share ownership, even with the individual model. A lot of myths are cited by those who oppose employee share ownership, which was no doubt why the Labour party did not include employee shares in its 2009 Bill.

Mr Weir: The Minister says that 66% of those employees held on to their shares, but if they were 66% of a proportion of 10%, they would still be well below the threshold, so there could be a forced sale by the majority owner of the shares.

Mr Davey: I listened carefully to that interesting point in the hon. Gentleman's speech, and the way in which he eloquently described the situation and referred to the Companies Act 2006 showed that we need to ensure that we design the scheme carefully. We will do so, because we want to deliver on employee share ownership, which is an objective of the Liberal Democrats, the coalition Government and the Bill.

The hon. Member for Llanelli was generally supportive of the proposals on mutualisation, but she spent a lot of time—do tell me if I stray out of order, Madam Deputy Speaker—saying that Government front-office services had not been delivered. We are turning around the decline under which the previous Administration took away more than £300 million of Government services from post offices. Our policy statement and the things that we are delivering show that there is a real future for the front office of government.

Nia Griffith *rose—*

Mr Davey: The hon. Lady is in no position to criticise the Government about this, but I am happy to allow her to intervene—I hope that she will be able to remain in order.

Nia Griffith: We are talking about the mutualisation of the Post Office, but that can take place only if it is viable. Will the Minister tell us what new streams of Government business have been given to the Post Office in the past year?

Mr Davey: The hon. Lady is right—and we have been clear about this—that the network must be viable before going to mutualisation. The problem is that we inherited a post office network that was so badly managed that we had to turn it round. She asks for specific details, but she knows that several were set out in our November policy statement. She ought to know that the National Federation of SubPostmasters welcomed the start of the pilot scheme offering document verification for pension applications in 106 post offices in the north-east. She should also know that that is only the first of three planned pilots with the Department for Work and Pensions; the other two involve national insurance applications and testing the impact of requiring jobseekers who sign on by post to attend their local post office instead. I would have thought that she would have welcomed such pilots.

Fiona O'Donnell: I note that the Minister missed the green giro off that list. The position not only puts the post office network in my constituency at risk, but means that people who cannot access a PayPoint in their villages must travel to cash their cheques.

Mr Davey: I expressed my disappointment that Post Office Ltd did not win that contract from the Department for Work and Pensions, but I have described three pilots on which the DWP is working with Post Office Ltd. I could also have talked about the proposals on credit unions that we hope will go forward, or the fact that Post Office Ltd has won a contract with the London boroughs so that local authority staff can have an authentication service at the local post office. If that scheme develops, it might have applications throughout the country. Such developments have been welcomed by the National Federation of SubPostmasters, but of course we want to go further, which is why we are so pleased to have persuaded the Royal Bank of Scotland to enable its customers to access their bank accounts through the post office network, which we believe will start to happen from September. I would have thought that the hon. Lady would welcome such developments.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): If such developments arrive in the future they will be welcome, but will the Minister return to the point about the green giro? Do we have joined-up government? This was an opportunity to boost the Post Office, so why did the Government not do something about it? Surely the Minister, as a Liberal, will not just blame European regulations.

Mr Davey: I certainly would not—but when Labour Members make such points they really have a cheek, because their Government removed more than £300 million of Government services from the post office network. We are working hard across the Government to ensure that we can position Post Office Ltd in a place from which it can win contracts from Government Departments in Whitehall and local authorities to deliver the front office of government. I can tell the hon. Gentleman that a huge amount of work is being done on this, and he needs to be a little patient.

The problem is that when we came into government and developed the strategy, the cupboard was bare because the previous Government had done almost nothing. They had allowed the post office network and the process for developing new business to wither on the vine because they were so busy closing 7,000 post offices. I have to tell Opposition Members that the tender for the green giro began under the previous Government, so they really ought to be careful. We have had to deal with the tender that Labour Ministers wrote.

Fiona O'Donnell: The Minister will no doubt want to read the piece of paper that has just arrived in front of him, but perhaps I should read him what the National Federation of SubPostmasters actually said:

> "The government's decision not to award the new contract for benefit cheques to the Post Office does not bode well."

It seems to me that competence in the Government is not as high as he—

Madam Deputy Speaker (Dawn Primarolo): Order. Will the Minister, in answering, return to the question of viability and the links with mutuality in the context of the amendments we are discussing?

2.30 pm

Mr Davey: I agree that we should focus on the long-term viability of the post office network. I recently attended the annual conference of the National Federation of SubPostmasters in Torbay, where we discussed the sorts of thing we are proposing and they were able to look at the new machines that Post Office Ltd is developing to position itself to win Government contracts, such as the application, enrolment and identity machine, which is already being used for contracts from the Driver and Vehicle Licensing Agency. They already have a portable one, which could be used across the network, and a number of other machines. The sub-postmasters were absolutely delighted. I wish that Opposition Members who have spoken today had been there, because the sub-postmasters showed greater confidence in the future of their post offices and their businesses than they do.

I will respond to some of the comments made by other hon. Members who have spoken. I thank my hon. Friend the Member for Solihull (Lorely Burt) for her comments. She mentioned the benefits to employees that will result from the proposals on employee shares set out in the amendments, and she mentioned pensions, which we will come to later. She specifically asked what discussions we have had with the Communication Workers Union on some of the amendments. It is interesting that on 13 April the CWU issued a press release in which it said that it welcomed the amendments to the Bill. Its general secretary, Mr Billy Hayes, said:

> "We warmly welcome these amendments...We are pleased that Government has taken on board some of our concerns".

I have met the CWU, and it has noticed the progress that we have made.

The hon. Member for Birmingham, Erdington (Jack Dromey) complained that post offices in his constituency would close as a result of the amendments, but I hope that he tells his constituents that four post offices closed in his constituency under the previous Government. All Members across the House will have discussed post office closures with many people in many communities. What we are offering in these amendments and in the Bill is hope that the Post Office will not see a repeat of those closure programmes, which have devastated so many people.

The hon. Gentleman asked what would happen after the spending review. The modernisation that the Bill and the amendments will enable us to undertake with the £1.34 billion will allow us to go further and continue the transformation. I believe that what we have with the funding package and the proposals is a radical change, but one that will lead to a sustainable network. He knows, because I wrote to him on 9 February, that the post office in Perry Common closed under the previous Government. Reopening it would lead to business migrating away from nearby offices at College road and Hawthorn road, which could jeopardise all three offices, which I am sure is not what he wants.

Jack Dromey: The Minister speaks of hope, and the same word was used when the Bill was launched. Seven post offices in Birmingham now face closure, one of which is in the Yardley constituency of a Liberal Democrat Member. Will the Minister agree to meet the community of Perry Common, which has signed a 1,000-strong petition asking for the reopening of a flexible post office in their locality? Earlier this week another Minister went to Perry Common and held it up as an excellent example of a community that has rebuilt its environment. It now wants to rebuild its high street, and it wants a sub-post office on it. Will the Minister meet the community and Mr Tarnjhit Dhesi, who is driving that proposal?

Mr Davey: I say to the hon. Gentleman and his constituents that they should look at the economics of the post office network in the area, because there are other post offices nearby, and talk with Post Office Ltd about the "locals" model that my hon. Friend the Member for Folkestone and Hythe (Damian Collins) mentioned.

The "locals" model holds real prospects for dealing with some of the post office network's cost problems, and for helping to revive shops on our high streets by bringing them and post offices together. In our pilots, not only have postal operators liked the model that we are developing, but so have post office customers and local communities. Having seen the evidence, some communities that were sceptical have been delighted by the service quality that Post Office "locals" have delivered. That is the future, and my hon. Friend was quite right to turn to it.

Jack Dromey: I am sorry to press the point, but my local community has looked at the pilots, is inspired by the prospect of flexible provision and wants to engage, but it has had the door closed in its face. Ministers say that they are offering hope and are prepared to listen, so will the Minister meet a delegation from Perry Common and Mr Dhesi?

Mr Davey: The reason why I am not agreeing to the hon. Gentleman's kind invitation is that, under legislation that has been on the statute books for many years, and based on the practice of the previous Government, Post Office Ltd decides where Post Office "locals" open, so if that is his request he needs to address it to Post Office Ltd managers.

Jim Shannon: Hon. Members have referred to the pilots, but has there been a UK-wide pilot, or any in Scotland or Northern Ireland? If there has, could we have some idea of the feedback from them?

Mr Davey: There have been Post Office "locals" pilots in all parts of the country. We are up to 80 local schemes, and Post Office Ltd has tried to pilot them in urban, rural, suburban and urban-deprived areas. It is trying to test them out over time, taking account of seasonality and cash flow, so we are learning an awful lot of lessons from them. The recent analysis of the "locals" project by Consumer Focus is publicly available, and although it has some concerns about privacy it was able to show that on issues such as access, longer opening hours and reduced queues, people have found the projects to be a beneficial step forward.

The hon. Member for Strangford (Jim Shannon) said that he was concerned about the universal service obligation and worried that the Bill would undermine it. Far from it: one of the Bill's main objectives is to secure the universal service, and Opposition Members have failed to realise that clause 30 includes stronger protections for the universal service than was previously the case.

The hon. Member for Angus (Mr Weir) made a very informed speech. He was a distinguished member of the Public Bill Committee, who failed to attend only on the few occasions when the weather prevented him from flying down to London, but in looking at the amendments before us I have to say that he has made the mistake of calling for guaranteed business for the post office network and, almost, of wanting to keep things in aspic.

On the train down to the annual meeting of the National Federation of SubPostmasters, I read the federation's account of its 100-year history, which mentions the concerns that existed when telegrams were being phased out, and when postal orders were used. In other words, the business and services that have gone through our post office network have changed hugely, and we have had to develop them and move on, so setting things in aspic—putting things in the Bill, as some Members want—would not help.

Mr Weir: With respect to the Minister, this is not about setting things in aspic. The problem is that there is a great deal of uncertainty, because Royal Mail is up for privatisation, the link between Royal Mail and Post Office Ltd now relies on the good will of whoever runs Royal Mail, and with no guarantee of business it is difficult for those trying to sell post offices to find people to take them on, as they are uncertain of what business there will be in one or two years' time.

Mr Davey: We are in danger of going over old ground. The hon. Gentleman will know, because we have had this debate many times, that it is my view that post offices are in a very strong position in this negotiation, because the idea that Royal Mail is going to absent itself

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from the post office network and allow its competitors to go in there is, frankly, nonsense. As for the particular issue that he has been raising with Post Office Ltd—the closure of Ferryden post office—he will know that that closed not because of any action of the Government or Post Office Ltd but following the resignation of the sub-postmaster. Post Office Ltd is looking at all available options to keep that service in his constituency open.

Mr Weir: If the Minister reads my remarks, he will see that that is what I said. I understand that the closure at Ferryden is not the Government's responsibility. I have been in touch with the Post Office and it is trying to get an alternative, but it looks as though it will be an outreach service rather than anything else. That is a reduction in service to that community.

Mr Davey: I am sure that the hon. Gentleman will be engaging in that debate with Post Office Ltd.

The hon. Member for Linlithgow and East Falkirk (Michael Connarty) asked, in the context of the report, what objectives we have for Royal Mail and the Post Office. We have made it very clear that securing the universal service obligation is our top objective. Getting a good deal for Royal Mail and for the taxpayer is essential. There is no objective of fragmenting Royal Mail as he described. When he suggested that employee shares were not a good thing for employees, I began to despair. The only correct thing that he said was that employee share ownership—ownership of the company in which one is working—needs to be combined with involvement in worker participation.

We should look at what is happening in Royal Mail at the moment. Someone who goes to sorting offices such as Gatwick, Greenford or Cardiff, as I have done, sees a world-class mail system and the rolling out of a programme of modernisation that involves the workers directly and has as one of its key objectives the health and safety of those workers. Sorting offices are being made not only more productive but safer. There is great employee involvement. If we link that with employee share ownership, this business will have a real future. I hope that the House will welcome this group of amendments from the other place, and give them its approval.

Lords amendment 1 agreed to.

Lords amendments 2 to 11 agreed to.

Clause 21

Restriction on power to transfer assets

Mr Davey: I beg to move, That this House agrees with Lords amendment 12.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to take Lords amendments 13, 14, 23, 24 and 26 to 28.

Mr Davey: The amendments in this group are either minor or technical—or, indeed, both. However, they make some important improvements to the Bill that I hope all hon. Members will feel able to support.

Lords amendments 12 to 14 concern the pensions provisions. Lords amendment 12 is, I must confess, not the easiest technical amendment that hon. Members will have had the pleasure of scrutinising, but I will attempt to explain it as clearly as possible. The amendment concerns the transfer of assets from the Royal Mail pension plan—RMPP—to the Government and is designed to deal with the fact that we expect the assets to transfer in two tranches. An estimated amount of the assets will transfer when Government takes on the historical liabilities of the RMPP. However, there will be a time lag between this point and the point when the necessary actuarial valuations are finalised. We will need a second transfer to take place when the scheme valuation has been completed: a corrective, or "mop-up", transfer. The amendment ensures that this two-stage transfer is possible and that any adjustments applied to the second transfer are disregarded so that the funding level test to protect RMPP funding levels works as intended. This funding level test, assessed at the effective date of the transfers, should not be affected by any market movement in the assets that transfer later.

In supporting Lords amendment 12, I would like to be clear on one broader point. The Bill provides a safeguard in clause 21 so that the ratio of assets to liabilities in the RMPP must be no worse after assets transfer to the Government than before. However, we intend to go beyond that minimum and leave the RMPP fully funded after transfer, subject to state aid approval.

2.45 pm

Lords amendment 13 will put in place a legal framework for the sharing of information between the new public scheme, the trustees of the Royal Mail pension plan and relevant employers. In her evidence to the Public Bill Committee, the chair of the Royal Mail pension plan trustees, Jane Newell, stressed the importance of ensuring a seamless service for pension plan members who will find themselves with accrued rights in two schemes, rather than one. That is exactly what Lords amendment 13 seeks to do. It will, for example, facilitate the provision to members of a single benefit statement, rather than two.

Lords amendment 14, which is the final amendment to the pensions provisions, will simply allow secondary legislation made under the pensions provisions to be commenced on a day specified by the Secretary of State through a commencement order. That might be necessary to synchronise the various elements of the pensions solution.

Lords amendments 23 and 27 will give effect to the recommendations of the Delegated Powers and Regulatory Reform Committee in the other place. The Government listen carefully to the views of that wise and respected Committee, as is reflected by the fact that we have accepted the two recommendations of its report on the Bill.

Lords amendment 23 concerns the appeals regime in part 3. Clause 58 allows the Secretary of State to apply, with or without modifications, certain provisions of the Enterprise Act 2002 to appeals made under the Bill. The Delegated Powers and Regulatory Reform Committee recommended that the provision be modified to prevent it from being broad enough to allow increases in civil or criminal penalties beyond the levels set out in the Enterprise Act 2002. Lords amendment 23 will do just that.

The second recommendation of the Delegated Powers and Regulatory Reform Committee concerns the Secretary of State's power to amend Ofcom's universal postal service order in a special administration scenario. Although the Committee accepted the need for that power and recognised that it would apply only in very limited circumstances, it recommended that the power be subject to the negative procedure. Lords amendment 27 will give effect to that recommendation.

Lords amendment 24 simply clarifies that directions made by the Secretary of State under part 3 must be in writing, and may be varied or revoked by a further direction. Lords amendment 26 will remove a reference to that procedure in clause 60 as it will be superseded by Lords amendment 24.

Finally, Lords amendment 28 is a consequence of this year's referendum on the powers of the Welsh Assembly. The Bill sought to make a consequential amendment to schedule 5 to the Government of Wales Act 2006. However, the yes vote in the referendum resulted in that schedule ceasing to have effect. Lords amendment 28 simply deletes what is now a redundant reference in the Bill.

As I said, the amendments are technical and perhaps not of the most interest to the House. However, I hope hon. Members agree that they represent small but important improvements to the Bill and feel able to support them.

Nia Griffith: This is a group of technical amendments. We all want legislation to be as clear, precise and effective as possible. We will therefore support them.

Lords amendments 12 to 14 will form an important part of the Bill. The transfer of the Royal Mail pension plan and the fact that the Government will take responsibility for it are aspects of the Bill with which all parties agree. Any amendments that offer further clarity and security in respect of the handling of workers' hard-earned pensions are to be welcomed. We had a thorough discussion of the pensions issues in Committee, so I simply reiterate our support for those amendments. I also confirm our support for Lords amendments 24 and 26.

Lords amendments 23 and 27 give effect to recommendations of the House of Lords Delegated Powers and Regulatory Reform Committee. Lords amendment 27 strengthens parliamentary scrutiny by introducing the negative resolution procedure into the Secretary of State's power to amend the universal service order in a special administration scenario. As it strengthens the opportunity for parliamentary scrutiny, we shall support it.

Lords amendment 28 is purely technical and has been made to reflect the new situation with regard to Wales, following the result of the referendum held on 3 March in which the people of Wales voted yes to additional powers for the Welsh Assembly Government. We campaigned for and welcomed that referendum result, as it will help to streamline procedures, cut out wasteful duplication and ensure that the Assembly has the appropriate legislative powers in the areas for which it already has spending responsibility. We accept the clear need for the amendment and will support it.

Mr Davey: I thank the hon. Lady for welcoming the amendments, and I hope that the rest of the House will support them.

Lords amendment 12 agreed to.

Lords amendments 13 and 14 agreed to.

Clause 27

General authorisation to provide postal services

Mr Davey: I beg to move, That this House agrees with Lords amendment 15.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to take Lords amendments 16 to 22 and 25.

Mr Davey: As has been made clear at every possible opportunity, the Government are absolutely committed to the long-term security of the universal postal service. As Royal Mail is the provider of that universal service, and the only possible provider of it for the foreseeable future, its viability is clearly of huge importance to achieving that goal. The Lords amendments to the regulatory provisions of the Bill respond to points raised in both Houses and by Members of all parties, and will help to ensure that the Bill meets our primary objective of securing the universal service.

Lords amendment 17, on Ofcom's duties, will ensure that Royal Mail has the opportunity to earn a reasonable commercial rate of return on all expenditure incurred in providing the universal postal service, and on any regulated access services in so far as they make use of the universal postal service network. Although it is obviously not within the gift of the regulator to determine precisely what returns Royal Mail can make—that should depend on the market and the company's performance—it is essential that the regulatory framework should provide incentives for Royal Mail to be successful and make the necessary efficiency improvements, and allow for good performance to be rewarded without regulation eroding the effect of increased efficiency. The amendment will ensure just that.

Lords amendments 16 and 18 further amend Ofcom's duties, to specify that the requirement for efficiency should apply

"before the end of a reasonable period",

to give Royal Mail time to continue its vital modernisation. That is an important change. Clearly, the delivery of the universal postal service needs to become more efficient, and neither those amendments nor the ones to which I have already spoken will undermine that. However, we do think that it is important to give Royal Mail a reasonable period of time in which to modernise and achieve efficiency.

As part of that ongoing modernisation, Royal Mail will need to invest in new machinery and technology. Before making long-term investments, boards and shareholders look for certainty. Lords amendment 22 will give Royal Mail certainty that for a significant length of time—10 years—it will be able to remain the universal service provider throughout the whole of the United Kingdom. As previously drafted, the Bill could have given rise to doubts about the certainty of Royal Mail's designation as the universal service provider in the short to medium term, as it effectively provided for a three-year moratorium period before there could be a procurement determination. Although it was not the

[Mr Davey]

Government's intention, the risk of Royal Mail losing part or all of its designation after three years via a procurement determination could clearly have discouraged the company from making otherwise rational and important long-term investments in its infrastructure. That is why Lords amendment 22 gives Royal Mail a 10-year period of certainty.

However, although we need Royal Mail to have that certainty, we also need to keep up the pressure on it to press ahead with modernisation. We must recognise that the threat of a compensation fund means increased uncertainty for its competitors. It is therefore not unreasonable to seek to delay the possible introduction of a compensation fund until necessary modernisation has taken place.

We have looked again at the moratorium period before Ofcom can initiate an unfair burden review and concluded that a period of five years is appropriate. Lords amendment 21 gives effect to that.

During the passage of the Bill, many hon. Members have raised concerns about the prospect of other operators cherry-picking profitable elements of Royal Mail's delivery business and, as a result, putting the security of the universal service at risk. The Government have reflected on those concerns, and during the Bill's passage through the other place engaged in constructive discussion with Opposition Front Benchers there, as well as with Royal Mail and the Communication Workers Union.

Although we are confident that Ofcom has the necessary tools to ensure fair and effective competition in the market, it is our belief that on occasion it will need to build in greater time to inform its use of those tools. Lords amendments 15, 20 and 25 address that by giving Ofcom the power to require operators to pre-notify them of the planned commencement or expansion of a letters business on a specified scale. We have left the precise scale for later definition—it will depend on the market at the time—but our clear intention is that that should apply only to a significant letter delivery operation that could have a damaging impact on the provision of the universal service. That notification mechanism will ensure that Ofcom has the necessary time to evaluate the potential impact on the universal service of such an operation before the operation has commenced and, critically, before any potential damage has been done to the security of the universal service.

I stress that the notification condition is aimed at avoiding damaging cherry-picking that would put in jeopardy the long-term security of the universal service. As such, our clear view is that the condition should apply only to those operators seeking to commence or expand a significant letter delivery service, but it will not impose any additional burden on, for example, current access competitors, courier services or parcel delivery businesses.

Finally, Lords amendment 19 addresses concerns, which were again raised in both Houses, about access to postal services. The central concern of hon. Members who have raised this issue is how we can ensure that people right across the country and from all walks of life continue to have access to the high standard of postal service on which they depend. The Bill already specifies that Ofcom's duties include ensuring that there is provision of sufficient access points to meet the reasonable needs of users. In determining those, Ofcom will conduct thorough research and analysis, and consult users to take their views into account. Importantly—this was often misunderstood in our previous debates—Ofcom will also be bound by its broader duties, as set out in the Communications Act 2003, to have regard to, among other things, the needs of persons with disabilities, the elderly, those on low incomes and those living in rural areas.

I am confident that that will mean that Ofcom's requirements on the distribution of access points across the country will ensure that all users can continue to post their letters, packets and parcels in a convenient way. However, although we are clear that the reasonable needs of users is the right test, it is conceivable that in some cases the Government will wish to apply different considerations. For example, the Government may have wider public policy objectives to consider, perhaps in relation to rural policy or small business support.

Such broader public policy goals are rightly a matter for the Government and not for an independent sector regulator. Therefore, amendment 19 allows the Secretary of State to step in and require Ofcom to ensure sufficient access points throughout the United Kingdom to meet the interests of the public. That is not a power that we would ever expect to use—its inclusion simply serves as a fail-safe to address the legitimate, albeit unlikely, concerns expressed by hon. Members on both sides of the House and by colleagues in the other place.

I hope that this package of regulatory amendments demonstrates that we have listened to the concerns of hon. Members and those in the other place. The amendments constitute a real strengthening of protection for the universal service—an objective that I believe all hon. Members share—and as such, I hope they are warmly welcomed.

3 pm

Nia Griffith: Lords amendment 17 requires that, when having regard to the requirement for a postal service to be financially viable, Ofcom should include the need for a reasonable commercial rate of return for the universal postal service. We argued this very determinedly in Committee. The provision of the universal postal service constitutes a considerable financial burden and we have seen how, in recent times, the opening up of opportunities for competitors to come in and cherry-pick some invitingly profitable parts of the postal delivery service, leaving Royal Mail to provide the universal postal service, has led to some considerable controversy about the price charged for the final mile. Royal Mail feels that the price set by Postcomm is too low, while the competitor providers would quite naturally always want the price kept as low as possible.

We welcome the fact that—as is made clear elsewhere in the Bill—Royal Mail will continue to be the provider for 10 years after privatisation, not just three. This will provide some much needed stability for the service and make it worth Royal Mail investing sufficiently in the necessary infrastructure. But crucial to the success and stability of the service is the need for the postal service to be financially viable. It would be immensely disruptive and damaging if a privatised Royal Mail got into difficulties and had to be bailed out. That is one reason it is essential that the regulator, Ofcom, should understand the need for a reasonable commercial rate of return for

the universal postal service and make its judgements and interventions accordingly. This is common sense, so we shall support this amendment.

Lords amendments 16 and 18 provide clarity that the requirement for efficiency would apply after a reasonable amount of time and provide a definition of that reasonable period as a period beginning on the day that the provisions of the Bill come into force and which Ofcom considers to be reasonable. These amendments also help to improve the Bill and we shall support them.

Lords amendment 19 is an extremely important amendment. In Committee, we tried very hard to persuade the Government to amend the Bill to ensure that the post office network was used to provide the network of access points, and we were very disappointed that the Minister chose to turn down the opportunity to show any real commitment to the post office network and refused to accept our amendment on using the post office network to provide the access points to the postal service.

This Lords amendment does not safeguard the post office network. It does, however, provide some protection for the public, and some reassurance that the Secretary of State may direct Ofcom to take action to ensure that sufficient access points are provided to meet the interests of the public. It is not, however, anything like as specific or forceful as we would have liked. It does not specify, as legislation in some other countries does, the number of access points or their geographical distribution. This is done elsewhere either by specifying a precise number of outlets, as in the German model, or by insisting on specific access criteria, as in the Australian model.

This amendment is much more subjective and leaves it as a matter of opinion for the Secretary of State to decide what is meant by sufficient access points to meet the interests of the public. Will the Minister clarify the thinking behind this, and specify the number of access points? We understand that the access criteria, as laid down in the document "Securing the post office network in a digital age", could be met by a network of some 7,000 or 8,000 post offices. When we were in government we put in money to keep open a network of 11,900 post offices, and the present Government are doing likewise. What number of access points is the Secretary of State likely to designate as sufficient to meet the interests of the public? Will it be as many as the current network of post offices, or will it be fewer? If it is the latter, some post offices could cease to be access points for postal services and not only would they lose the third of their income that comes from the Royal Mail work that they do but they would stand to lose a lot more income, as they would lose footfall.

Access points would not, of course, have to be post offices. We have already seen some very adverse public reaction when post offices have been moved into the upstairs of some high street chains, making them difficult to find and time-consuming to access. Will the Minister clarify the number of access points he envisages meeting the interests of the public, and whether the Secretary of State might also have criteria for the accessibility of access points so that we do not end up with access points that are hard to access?

Access points does not just mean counter services, but can also include post boxes. Will the Minister give us any indication of what number of post boxes the Secretary of State would consider sufficient to meet the interests of the public? Would it be the same number as now, or are we likely to see post boxes removed or boarded up? I say that as someone who has only recently had to fight for Royal Mail to restore a post box at Brynteg in my constituency, and I can well envisage that a profit-hungry privatised Royal Mail would look to reduce the number of post boxes in order to cut down on collection costs. That could mean people losing their local post box and no longer having one within walking distance of their homes. We welcome the amendment because it could improve the chances of a better service to the public, but we would have liked a much stronger amendment to give a stronger guarantee of a comprehensive network of access points.

We welcome Lords amendment 20 and the consequential amendments 15 and 25, because they enable Ofcom to impose a notification condition on any person providing, or intending to provide, a service within the scope of the universal postal service. Again, this is important for the rational management of the universal postal service, and we should support it. Lords amendment 21 makes a significant change to Ofcom's review of the costs of the universal service obligation. Whereas previously the Bill specified that Ofcom would have to wait three years from when the Bill came into force before it could carry out a review of the costs of the universal service obligation, the amendment increases the period to five years, unless the Secretary of State intervenes and directs Ofcom to carry out a review. We have not sought amendment 21. Will the Minister clarify under what circumstances the Secretary of State might intervene before the five-year period is up?

On Lords amendment 22, we have consistently pointed out that the universal service provider incurs very large costs and needs to have as much certainty as possible about its future obligations so that it can plan long term and make the necessary investment in the latest technology. We therefore welcome the amendment, which means that Royal Mail will continue to be the universal service provider for the next 10 years, rather than just the next three years. This is a significant improvement. We know that significant modernisation has taken place within Royal Mail over the past few years. In the evidence sessions, the chief executive, Moya Greene, expressed her pride and delight in the world-class facilities that Royal Mail has in some of its depots, but she also pointed out that there are still areas awaiting modernisation. If Royal Mail is to continue to invest, the certainty of knowing that it will remain the provider of the universal service for the next 10 years will provide a much better basis for doing so than a mere three years. This is very important to create the necessary stability and justify the necessary investment. We therefore welcome the amendment.

Lorely Burt: This final string of amendments is another testimony to how the Government have listened to colleagues on both sides of the House. I greatly welcome a number of the amendments, particularly those that make the duties of Ofcom stronger than under Postcomm. I want to ask the Minister about amendment 19, which specifies that the Secretary of State can override the regulator on access points. We need to be wary about setting up an independent body but saying, "Never mind, the Secretary of State can override it". We want to be sure that that could be done only to the benefit of the consumer. Bringing politics into the matter concerns

[Lorely Burt]

me a little, so will my hon. Friend confirm that he cannot envisage any circumstances in which the Secretary of State could intervene, perhaps to specify that we do not need as many access points as now?

I particularly welcome amendment 17. Royal Mail has found it difficult to make a profit given the constraints under which it has had to work. The previous situation was impossible, so I am delighted with the amendment. We had to address the appalling decline in profitability, which was due to the ceiling imposed by the previous Government, who were unwise in their overzealous interpretation of the European legislation. If we can do it now, why could we not have created a more competitive environment for Royal Mail in the past? No one can make a profit with one hand tied behind their back. I particularly welcome Lords amendment 22, which guarantees that Royal Mail will remain a USP for 10 years, thereby removing any lurking uncertainty, which is particularly helpful.

Finally, Lords amendments 20, 15 and 25 require pre-notification to Ofcom of the planned commencement or expansion of a letters business on a specified scale. That will allow Ofcom to evaluate the potential impact beforehand, not after the stable door is opened and the horse has bolted. I wonder whether the Minister could say a little more about the circumstances in which he would envisage the provisions applying. Opposition Members have rightly raised the spectre of lots of other organisations wanting to come in and expand their letter delivery services, so how will the provisions work to ensure that Royal Mail's commercial interests remain viable?

Thomas Docherty (Dunfermline and West Fife) (Lab): I would like to press the Minister on Lords amendments 16 to 19, to clause 28. He has rightly spoken of the need for Royal Mail to continue to modernise, and I hope to give a simple example of why this is so important.

The House will recall the severe snow that affected large parts of Scotland last winter, including West Fife in my constituency. Fife was particularly badly hit because of the incompetence of Fife council, which failed to clear the roads and keep traffic moving. That had a huge knock-on effect for Royal Mail. If residents are stuck in villages or large parts of Dunfermline and cannot get out, it would quite obviously be unreasonable to expect Royal Mail to be able to deliver a regular service, because for genuine health and safety reasons it is vital that posties are not exposed to unnecessary risk. However, Royal Mail failed to provide a robust contingency programme to deal with the huge backlog that quickly built up.

It will probably not surprise the House to know that mid-December is a particularly busy time for Royal Mail, as there is a substantial increase in the volume of packages and cards. Unfortunately, business continues in the build-up to Christmas for many of my constituents. I was approached by a number of small businesses and local law firms that were waiting desperately for important documents—in some cases legal documents—and that were simply unable to get them delivered by Royal Mail. Many of my constituents showed some initiative and went to the Dunfermline sorting office to see whether they could simply collect their post. However, Royal Mail had no plan in place even to allow local businesses or my constituents to do so, which is a sign of poor planning by Royal Mail management. I would be grateful if the Minister outlined what discussions he has had with Royal Mail about that lack of strategic or, some might argue, tactical thinking, which should be happening at the local and regional levels.

The backlog was such that many of my constituents did not receive the parcels and cards that friends and relatives had sent them until the middle of January, which is clearly a most unsatisfactory circumstance. To be fair, after I met Royal Mail in the build-up to the new year, it took a number of steps, including putting on Sunday deliveries, drafting in additional staff from other sorting offices and putting on extra deliveries. But, with the best will in the world, I hope that the Minister will agree that it should not have been necessary for us to reach a state of chaos before Royal Mail took proactive steps to tackle the problem.

3.15 pm

I would be grateful if the Minister outlined the specific issues he has raised with Royal Mail relating to the modernisation of its procedures. Has he discussed how its policies might become more robust? Has it given him any indication of whether it has learned the lessons, not only from Fife but from across Scotland, in time for next winter? I fear that we might otherwise face a rather challenging set of conditions.

Richard Fuller (Bedford) (Con): I should like to echo the comments of my hon. Friend the Member for Solihull (Lorely Burt). This is a listening Government who are seeking to improve legislation at all stages and in every way, and that is evident from the Lords amendments before us today.

I should like to speak particularly to Lords amendments 17, 20 and 22. They represent a significant shift in the terms offered to Royal Mail, to the advantage of the Royal Mail group. In Committee and again today, we have heard justified praise for the present management of the group. Moya Greene is an exceptional leader of the group and she is bringing her depth of experience to the provision of Royal Mail services in the United Kingdom. It was not always thus, however. The group has at times had a poverty of good management. Indeed, its management has at times been weak. Many times during our discussions of the Bill, we have recognised that the people who best knew how to run the Royal Mail group were the postal workers themselves and their representatives in the Communication Workers Union. The amendments demonstrate our faith that the management and the unions will use the new advantages to the best effect and in the long-term interest of the people who use Royal Mail services.

We are extending for 10 years Royal Mail's ability to be the sole universal service provider. As hon. Members on both sides of the House have pointed out, that is a sensible and welcome change, because it will enable difficult investment decisions to be made with more certainty about market conditions. We are also providing that, after five years, the other operators will be able to receive a charge for any inefficiencies or burdens resulting from universal service provisions not being made. I hope that the Minister will be able to assure me that sufficient incentives will exist for the management of

the Royal Mail group to continue to make the improvements that he rightly identifies as necessary over the next five years. Perhaps he will also be able to update the House and give us assurances on progress with the unions in relation to these advantages.

These measures demonstrate that we are placing additional trust in responsible management and responsible unions in our Royal Mail group. We are making significant changes in the Bill, to the benefit of the people who work for the postal service. They will move it forward, and they represent a welcome step. However, we shall require the recent excellence in the provision of services to continue. We do not want to have to look back in five years' time and say, "We gave you those chances, but you didn't take the necessary steps to modernise. Now we are going to have to burden other people because you didn't take up all the advantages that we provided." These are good amendments, and I fully support them.

Michael Connarty: The hon. Member for Bedford (Richard Fuller) referred to the trade unions in a way that sounded as though he did not accept the hard work they have done over the past decade and a half to try to get a good relationship with the management. The amendments were driven by the work of the Communication Workers Union, working alongside the Labour Lords and reasonable people on the Cross Benches, and they have now been taken up by the Government. Only one of the amendments before us today did not come through the debates in the Lords as a result of the work with the CWU. The unions have always been responsible. I can assure the hon. Gentleman that, over the decade in which I have been the secretary of the CWU parliamentary liaison group, the management have been horrendous in the running of Royal Mail and the Post Office.

Richard Fuller: I appreciate the opportunity to reassure the hon. Gentleman that he must have misheard what I said. I said precisely what he has just said—that the people who have provided leadership in the Royal Mail group and who have provided a consistency of belief in the ethos of public service provision have been the workers themselves, and that they have been let down by the management over a number of years. I said that the CWU, with the business agreement it put in place, showed that it had learned that it needed to be constructive and positive, and that it provided great leadership. My hope was that, with Moya Greene in place, we have a solid partnership of management, workers and the unions that can move forward. The hon. Gentleman was not always present in Committee; if he had been, he would have heard more clearly that I am strong supporter of the CWU. I am glad to have the opportunity to clarify that.

Michael Connarty: I am grateful, and I am glad that we have a solid platform on which to continue the debate.

It is remarkable that not just myself, but not a single Labour member of the CWU parliamentary liaison group, which worked together with the CWU and the Post Office, was asked to participate in the Committee considering this Bill. I might ask the Minister some detailed questions that he could have answered before if I had been granted access to his knowledge and aspirations in Committee. That position will have to be explained by the business managers—not by me, as it has never been explained to me.

I wish to focus on amendments 21 and 22. Let me provide some background. The 10-year period in amendment 22 for the universal service provider—currently, Royal Mail—is welcome, but the phrasing of the provision amounts to a get-out clause. Lords amendment 22, as it says in the explanatory notes,

> "would prevent Ofcom from making a procurement determination within 10 years from the day that Part 3 of the Bill comes into force, unless the universal service provider agrees."

Thus we have a privatised Royal Mail with a universal service obligation; it has all the burdens, which are not going to be shared properly with others in the business. Others have already cherry-picked much of the provision—TNT, to name just one, and many others come through our door, delivered in the last mailbag by Royal Mail employees. As far as I can see, none of the burden is going to be shared with Royal Mail for providing that universal service; it all falls on the universal service provider.

By using deductive logic, people can see that the privatisation of the universal service provider, Royal Mail, should not be continued. We would like Ofcom to look at splitting up the obligation and sharing some of the burden by allowing some other regional post office or mail provider to come in and take on some of it. It is possible that in a privatised scenario, the interests of Royal Mail—at the moment, the public service provider—will not be the same. As I say, there is a get-out clause.

Clause 33(5) will permit the Secretary of State to amend the minimum requirements of the universal service postal provision in clause 30—a mail service for six days a week, provided at an affordable and uniform price throughout the UK. Under clause 33(7), an affirmative resolution is required before the Secretary of State can make amendments, but a coalition Government with a majority can easily achieve that. This is predicated on good will, in a sense. On a more negative view, we see these provisions as being nothing but wallpaper for public consumption, which will not help us to face up to the financial problems of a privatised Royal Mail operating in a privatised environment. In that context, it might not be sustainable.

I am concerned when the amendments can be interpreted in two different ways. I have not had the benefit of interrogating the Minister in Committee, of hearing the Committee debates or of participating in the debates in the House of Lords that led to these amendments being brought forward.

Lords amendment 21 increases the three-year period in clause 42—which provides for Ofcom to review the extent to which the universal service provider is bearing a financial burden—to five years. If that extension is such a good thing, why is this a Government amendment? Why was it not tabled, here or in the House of Lords, on behalf of the work force, via the Communication Workers Union? What is the reason for the extension?

The provision of a universal service is one of the great burdens on Royal Mail. Delivering post in parts of the constituency of the hon. Member for Angus (Mr Weir) or a constituency in Somerset is much more burdensome than delivering it within the square mile of the City of London. The last Government, who allowed

[Michael Connarty]

commercialisation, were immediately accused of allowing some companies to cherry-pick the deliveries. That is why TNT made so much money: it is much more interested in cities and large conurbations than in the universal service obligation, which covers all the sparsely populated and difficult parts of the country. The capital and work force required by the universal service provider cannot be utilised at its optimum level because of the unevenness of the urban density and geography of the country. Some areas are more profitable than others, but the burden of delivery must still be carried.

Clause 43 provides for the regulator to consider mechanisms for a burden-sharing arrangement if Ofcom finds that such a burden exists. I welcome that proposal. Ofcom could take three possible courses. It could review the minimum requirements of the universal service under clause 33, which means downgrading the service. The Minister said earlier that that was not one of the Government's aims. There could be an industry or users' levy, which has been hotly resisted by the privatised cherry-picking companies which have made a killing from the commercialisation of Royal Mail delivery in the past decade. There could be a "procurement determination", allowing the universal service provider's obligation to be changed under clause 43. No one knows what course Ofcom will choose, but we do know that if there is to be any logic and justice in a levy across the industry to help with universal service provision, the Lords amendment will not allow it to happen for five years.

This is a negative amendment. It leaves Royal Mail with a burden that it cannot shift, cannot share with others, and cannot ask Ofcom to share with others for five rather than three years. Perhaps the Government want that to happen. If that is what they are up to, let them tell us. I know that the extension to five years has been welcomed by those who are currently making a nice killing by cherry-picking certain kinds of mail, but a real problem will face whoever bears the universal service obligation under privatisation. No subsidies will be offered; the provider will have to stand on its own two feet and make a profit. It will have to seek a change.

The extension to 10 years proposed in Lords amendment 22 is all right as long as the procurement trigger is not used by the universal service provider, but I think that the two proposals are heading in the same direction. Following privatisation, there will be pressure on the universal service provider—currently Royal Mail—to offload some of its universal service obligation. It could do that by means of a change in the number of deliveries. There have already been some changes: there is now only one delivery per day, and letters are not collected from mail boxes between lunchtime on Saturday and 5 pm on Monday. All those adjustments were made under the pressure of commercialisation, but there will be other pressures.

What worries me particularly is the possibility that regions to which a provider does not want to deliver will be offloaded on to another provider. That provider will then go to the Secretary of State or Ofcom and say, "We cannot make a profit on this." My hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) was asking about this point earlier. The provider will say, "It is not viable, so we want to be able to change the arrangement either by cutting the number of deliveries or pick-ups or by altering the price of the delivery."

3.30 pm

All those options are available under these amendments. It may not be the intention but if it is the intention, the Minister and those who drafted the amendments are being Machiavellian in their approach to Royal Mail. I do not think they are Machiavellian, however. Frankly, I do not believe they are sufficiently smart; I think they are just blundering along, putting together groups of clauses and amendments that will have unintended consequences.

I am worried because the Bill, with these amendments, is deeply flawed. There are even flaws in the amendments that we are welcoming now. We are providing for 10-year terms, but it is still possible to get out of that by going to Ofcom and saying, "We can't make it. We can't cut the mustard here. We can't make a profit. Either we give up as a universal service provider and sell out the lot, or you let us break up the franchise." I think that is what will happen. I have serious reservations, therefore.

Also, why does the Minister want to extend the time period for Ofcom to be able to review the situation from three years to five years, under amendment 21? Is it to protect those who at present do not want to pay a levy, or to stop the burden sharing being properly looked at, or is it because he wants to save the minimum requirements of the service order? We are not sure. Will he address those concerns to give me the confidence so that I do not choose to press amendment 21 to a Division?

Mr Davey: I am grateful to the hon. Member for Llanelli (Nia Griffith) for her general welcome for many of our amendments. I began my remarks by saying that a degree of consensus had emerged in the other place.

The hon. Lady spent most of her time talking about access points and amendment 19. We must be clear about what an access point is. It comes from the directive; the definition of an access point and the requirement to provide them flow from the universal postal service directive, and we then define it in this Bill. It would be wrong for us to state that it could only ever be post offices, and to enshrine that in the Bill, because, for instance, some rural communities might need access points in a form that the post office network is unable to provide. I hope that the hon. Lady recognises that it is therefore important to have some flexibility.

The hon. Lady was concerned about some post offices not being accessible, and gave the example that some of them might be upstairs. In addressing the access points issue, Ofcom will be required to look at the needs of users, and its obligations, under the Communications Act 2003, are much stronger than those of Postcomm, and they include taking account of the needs of disabled people. I hope, therefore, that the hon. Lady will understand that the accessibility requirements have been improved. On access points more generally, the hon. Lady did not give the Government credit for the fact that in the—signed and legally binding—agreement we have reached with Post Office Ltd providing the £1.34 billion, Post Office Ltd has to secure a network of at least 11,500 post offices. That is the clearest and strongest way to ensure that the network is delivered.

The hon. Lady had some concerns about amendment 21, and asked why the Secretary of State would intervene before the five years was up. It is sensible to maintain the Secretary of State's ability to intervene and direct Ofcom to conduct an unfair burden review. That measure adds some flexibility to the Bill. If all the evidence pointed towards there being a need for an unfair burden review, a process to allow a review to be conducted would clearly be beneficial. We wanted that extra flexibility in the Bill.

Nia Griffith: I am not against the idea of Ministers intervening, because it is very important to have that opportunity for a review. I was just wondering whether there were any particular circumstances in which the Secretary of State might be proactive, because of the damage that could be caused if the review was left for five years rather than three. I am all for the Secretary of State having that additional power, but are there any circumstances that would precipitate an instant review?

Mr Davey: We need to have flexibility in the legislation to ensure that if the circumstances are so bad for Royal Mail because technology is having a worse effect than we had expected on its letter flows, we can still provide the universal service. That is what this Bill is about. This extra flexibility ensures that if an unforeseen circumstance arises requiring an unfair burden review before the five years is up, that flexibility is in place. I am glad that the hon. Lady welcomes that.

I was grateful for the comments made by my hon. Friend the Member for Solihull (Lorely Burt), who acknowledged that these amendments show that the Government have listened. She was concerned that amendment 19 would give the Secretary of State an override. May I assure her that we think it very unlikely that the power would be used? We need to make it clear that the first step is for Ofcom to assess the needs of users, and it will consult the public. We would not expect to use the power, and it is highly unlikely that we would interpret the "interests of the public" as being less important than the "needs of the public". The words in the amendment should reassure her. The amendment is intended as a broader test to capture elements that the "needs of the public" do not, and that Ofcom is not allowed to consider. I hope that she will be reassured
by that.

My hon. Friend also asked about the notification scheme. I assure her that it is designed to enable Ofcom to act to prevent harmful cherry-picking, which would damage the universal service. Again, this is another tightening up of part 3 and the regulations, to ensure that we can deliver the universal service through this Bill.

The hon. Member for Dunfermline and West Fife (Thomas Docherty) talked about what happened in his constituency following the bad weather just before Christmas, and asked me whether I talked to Royal Mail about it. Of course I regularly meet the management of Royal Mail, and they are committed to providing an excellent service. I think we all accept that the conditions last winter were exceptional and did create lots of problems. Royal Mail took exceptional measures to try to deal with them, including investing £20 million of extra resources to ensure that deliveries could be maintained.

Although the details of Royal Mail's operations are, of course, a matter for Royal Mail, it is worth pointing out that in areas of Scotland, including his constituency, the private companies had much greater problems in delivering. Royal Mail acted strongly, made the investment and was able to deliver. As the universal service provider, it showed its strength.

Mr Davidson: Does the Minister believe that that additional expenditure—that enormous cross-subsidy to the highlands and other isolated areas of Scotland—would have happened in an independent Scotland?

Mr Davey: Mr Deputy Speaker, I would love to speculate on such a matter, but Madam Deputy Speaker has made it very clear that she would not wish us to do so. All I can suggest to the hon. Gentleman is that he might wish to debate that later with the hon. Member for Angus (Mr Weir) in order to get an answer to his question. He should not believe everything he hears.

Thomas Docherty: Let me take the Minister back to the point about some of the other providers, such as City Link, which he is absolutely right to say did not provide any service at all. That affected quite a lot of packages; for example, Amazon uses a non-Royal Mail provider. Will he give a cast-iron guarantee that if one of those companies tried to become the USP, it would be expected to make the same provision as Royal Mail does, and that we would not get the kind of cowboy operations that handle some deliveries now?

Mr Davey: That is the whole point of the Bill's ensuring that the universal provision is there for us. It will be maintained, because the regulator, Ofcom, will ensure that the universal service provider meets the minimum requirements, including on performance. If a company took over the management of Royal Mail and became the USP, it would be subject to that very tough regulatory regime.

My hon. Friend the Member for Bedford (Richard Fuller) rightly praised the management of Royal Mail, led by the chairman Donald Brydon and the chief executive Moya Greene, who have made a real difference in their time at the helm; the Government have huge confidence in them. My hon. Friend asked what the incentives for management were. Having met the chairman and chief executive and having attended a board meeting recently, I assure him that its management is really seized of the need to modernise Royal Mail. Look at the way in which we have set the regime up: the Bill makes it clear that Ofcom must, when regulating, have regard to the need for the USP to become, and to remain, efficient, so there will be a regulatory framework to bear down on management—but there also are other incentives for management. He was right to make that point.

My hon. Friend also asked about the role of the unions. Royal Mail's management and I have engaged very constructively with the Communication Workers Union, and I have already welcomed its very strong support for the amendments we are discussing today, which it recognises as strengthening the protection of the universal service that its members provide. There are, however, some difficulties. I was disappointed by the CWU's decision to ballot for strikes in London

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about modernisation and I hope that the ongoing talks will prevent a strike from going ahead, as industrial action would only damage the very universal service that we are all acting to protect.

The hon. Member for Linlithgow and East Falkirk (Michael Connarty) went very wide in his remarks on the regulation. I know that he is secretary of the CWU parliamentary liaison group, and I wish that he had been on the Bill Committee, as that would have spiced things up. We had a great time on the Committee. I remember fondly the days of Red Bull amendments, Gordian knot amendments and clause 3 amendments and all the rest that we heard from the Labour party. No doubt we would also have had the Linlithgow and East Falkirk amendment if the hon. Gentleman had been on the Committee. He is particularly concerned about Lords amendment 22, on which he spent a lot of time, about the procurement determination. As I said in my opening remarks, that change has been welcomed by Royal Mail and the CWU because it provides greater certainty. I also said that people had interpreted the option of procurement decision, if there were a decision that the USO represented an unfair burden on the USP, in ways that we had not expected. We believe it is a useful tool in the regulator's armoury to make sure that the universal service will be provided throughout the country. It is not an attack on the USP, as some people had expected. The measure is designed to ensure that the legislation is future-proofed and to make sure that the regulator has all the necessary tools at its disposal.

Let me bring my remarks to a close—

Michael Connarty: The Minister has missed out Lords amendment 21, which came from the Government side and has not been discussed or pushed for by anyone else. That amendment changes from three years to five the time after which the issue of levy and burden-sharing will be set aside. That has been welcomed by the people who are making lots of money out of cherry-picking in relation to Royal Mail at the moment.

3.45 pm

Mr Davey: I apologise to the hon. Gentleman. I thought that I had dealt with that when I responded to the remarks made by my hon. Friend the Member for Bedford, who also raised that point, albeit from a slightly different perspective. We need to ensure that Royal Mail management have incentives to deliver. On reflection, I was concerned that the three-year period before which an unfair burden review could result in compensation was too short. Five years is the right length of time, because we need to put pressure on Royal Mail management—I think that they willingly accept that—to drive forward modernisation, because that is the only way in which the company will survive in the context of a universal service provider, and we will deliver the universal service.

I put on record my thanks to the hon. Member for Llanelli for her sterling work in scrutinising the Bill, both as a member of the Public Bill Committee and in the Chamber. I also thank her former Front-Bench colleague, the hon. Member for Ochil and South Perthshire (Gordon Banks), who brought a great deal of wisdom to the Opposition Front-Bench team, which I am sure it will be sad to lose. I welcome the hon. Member for Streatham (Mr Umunna), although he is not in the Chamber, to his new role. I also thank all other members of the Public Bill Committee, especially the hon. Member for Angus, who was with us when he was able to beat the weather.

I am sure that all Members of this House and the other place would wish to join me in thanking Richard Hooper, whose two excellent and comprehensive reports formed the backdrop to the Bill. He has been incredibly generous with his time, and the Bill would not be as strong without his contribution.

It is worth pausing for a moment to reflect on what a historic occasion this is. For more than 20 years successive Governments have grappled with this problem, ranging from the work in the mid-90s by Lord Heseltine to the more recent attempt at legislation led by Lord Mandelson, right through to the present day. If Royal Mail's problems were stark 20 years ago they are considerably worse today, because of the advent of e-mail, social networking and mobile communications. I am thankful that rather than having to face the problem with a blank sheet of paper, I have been able to draw on a large body of previous policy thinking and evidence.

The Bill is a culmination not just of the present Government's efforts, but of more than 20 years' work by successive Governments to tackle the problems faced by Royal Mail. By enacting it, we will finally be taking the action that successive Governments have recognised as necessary and, most importantly, giving Royal Mail the best chance of a successful future. Only with a successful Royal Mail can we all be confident that our constituents and businesses will continue to benefit from the universal postal service on which so many rely. This is a momentous achievement in which both sides of the House can share.

Lords amendment 15 agreed to.

Lords amendments 16 to 28 agreed to.

Munro Report

3.47 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I beg to move,

That this House has considered the Munro Report and its implications for child protection.

I am delighted to have the opportunity to lead the debate, as well as by the number of hon. Members who wish to speak in it. I would like to set out my stall, and although I am supposed to make a winding-up speech, I am keen that we hear from Back Benchers, so I shall keep that to a minimum.

Today is significant for two reasons. First, this is the only Government-led debate on child protection in Government time that I can recall in my 14 years in the House. The debate is therefore long overdue and it reflects the importance that I and my fellow Ministers attach to child protection. It is an enormous privilege to lead the debate and I look forward to what I am sure will be a constructive discussion, as I know that hon. Members on both sides of the House hold passionate and well-informed views about the subject.

The second significance is that this week is the first anniversary of the launch of the Munro review of child protection. Hon. Members will remember that this was the first review that was established by the Department for Education. It was launched on 10 June 2010, and that underlined the fact that getting child protection right is an enormous priority for the Government. I know we all share that as a priority, so let me pass on my thanks to all hon. Members, leading organisations in the sector, the child protection work force and the wider public, including children and young people themselves, who contributed in some way to Professor Munro's report. Their experience, insights and expertise have helped make it a well-informed and widely welcomed report.

We should not forget that the vast majority of our children enjoy a safe and happy childhood, but even now too many still do not. Some of their names are sadly familiar—Victoria Climbié, Peter Connelly and Khyra Ishaq—but many more are not. Whether we hear about a case in the media or it goes unnoticed by the public, there is always an individual tragedy at its centre. It is those individual tragedies that have so often been the triggers for different reviews and inquiries on child protection over many years. Every one of those reviews has resulted in calls for action, and in response legislation has been passed, rulebooks have been expanded, more procedures and processes have been introduced and structures have been restructured.

However, the fundamental problems have not gone away. Despite the very best of intentions, our hard-working, dedicated social workers, foster carers and other front-line professionals are too often still unable to make the difference that they want and need to make for vulnerable children and families. Day in, day out, they are up against a system that too often simply does not help them to do their best for children.

From the start we wanted the Munro review of child protection to be different. That is why, unlike its predecessors, it was commissioned not as a knee-jerk response to a specific tragedy that had hit the headlines; that is why it is recommending that regulation and prescription are reduced rather than increased—it is not just another case of adding a few hundred more pages to the "Working Together" guidance; and, most importantly, that is why the review has focused on the child rather than the system. Professor Munro's final report, "A child centred-system", is wide ranging. It looks not only at the problems, but at the underlying environment that allows, and sometimes inadvertently encourages, such problems to occur. The review takes an holistic approach to child protection and bases its proposals on evidence and experience.

The report has been widely welcomed, as I said. The College of Social Work welcomed it as a "huge step forward". Nushra Mansuri of the British Association of Social Workers described it as

"Music to the profession's ears".

The Children's Commissioner praised its emphasis on the child's right to protection. I am delighted that it has been welcomed as a breath of fresh air for all those hard-working professionals involved in child protection.

For that success, I have first and foremost to thank Professor Eileen Munro for her expert insight and analysis and the open and collaborative approach she has taken to the review over the past 12 months. I also pay tribute to the reference group that supported her so closely: Melanie Adegbite, District Judge Nick Crichton, Marion Davis, Avril Head, Professor Corinne May-Chahal, Lucy Sofocleous, Dr Sheila Shribman, Daniel Defoe, Professor Sue White, Martin Narey and the great many officials from the Department for Education and beyond who worked tirelessly over the past 12 months. I know that Professor Munro has hugely valued the support, expertise and different perspectives of all members of the reference group.

The report builds on previous reforms and the work of eminent experts such as Lord Laming, and I pay tribute also to the enormous contribution he has made in this area over so many years. This really is not about criticising previous, well-intentioned efforts to improve the system, but about making the time and space to understand why those efforts did not always work as well as they were intended to and should have done, learning from that to bring about long-term, sustainable reform in the future.

Eleven years, three months and 17 days since the tragic death of Victoria Climbié I still find myself asking whether the ever more complex systems that were created have actually made children safer now than they were then. Has the enormous additional amount of legislation, regulation and guidance made that much of a difference where it really matters? I fear that the answer may be no. Has, in fact, the child protection system in this country become rather more about protecting the system than about protecting the children whom the professionals went into their professions to protect? That is why it is now of the utmost importance that we restore public confidence in child protection, and restore confidence in the social worker profession and others—not least through those professions themselves.

The Munro review report seeks to do exactly that. Its fundamental analysis is that the system has become too focused on compliance and procedures and has lost its focus on the needs and experience of children themselves. That interest has occurred not just since the election, however; we started the process when, in opposition, I

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chaired a commission on children's social workers and we produced the "No More Blame Game" report back in 2007, with contributions from all parties, followed by our policy paper "Back to the Front Line", produced before last year's election.

Professor Munro makes 15 recommendations for reform. She makes it clear—and I agree—that they need to be looked at in the round, because they are interrelated and impact on the system as a whole. I shall go through them briefly, and in doing so I start by noting that this is an excellent report with which I find little to disagree.

The first recommendation is to revise the statutory guidance "Working Together to Safeguard Children", and the framework for the assessment of children in need and their families to distinguish essential rules from guidance that informs professional judgment, because, although we need rules it is important that they are the right ones.

The second recommendation is that the inspection framework examines the effectiveness of the contributions of all local services—including health, education, police, probation and the justice system—to the protection of children.

The third recommendation is that the inspection framework examines the child's journey from needing to receiving help, explores how the rights, wishes, feelings and experiences of children and young people inform and shape the provision of services, and looks at the effectiveness of the help provided to children, young people and their families. Too often, do we not hear that, actually, nobody really listened to the child at the centre of a case? We need inspection to look across all the relevant agencies and to focus on the things that really matter: outcomes for children and young people.

The fourth recommendation is that local authorities and their partners use a combination of nationally collected and locally published performance information to help benchmark performance, to facilitate improvement and to promote accountability. It is crucial that performance information is not treated as an unambiguous measure of good or bad performance, as performance indicators tend to be, because it is important that performance data are used intelligently to drive improvement in practice.

The fifth recommendation is that the existing statutory requirement for local safeguarding children boards to produce and publish an annual report for the local children's trust board are amended to require its submission instead to the chief executive and the leader of the council.

The sixth recommendation is that "Working Together to Safeguard Children" is amended to state that, when monitoring and evaluating local arrangements, LSCBs should, taking account of local need, include an assessment of the effectiveness of the help being provided to children and families, and the effectiveness of multi-agency training to safeguard and promote the welfare of children and young people. Local safeguarding children boards play a vital role, and I see a much enhanced future for them as the linchpin of how we get this right.

The seventh recommendation is that local authorities give due consideration to protecting the discrete roles and responsibilities of a director of children's services and a lead member for children's services before allocating any additional functions to individuals occupying such roles. We know that that is an important concern, and it has come up in the House recently.

The eighth recommendation is that the Government work jointly with the Royal College of Paediatrics and Child Health, the Royal College of General Practitioners, local authorities and others to research the impact of health reorganisation on effective partnership arrangements and the ability to provide effective help for children who are suffering, or likely to suffer, significant harm. I shall discuss that point further, but the implementation board, which will put forward these reforms, is heavily weighted—over-weighted in fact—towards health, and it is important that it should be.

The ninth recommendation is that LSCBs use systems methodology when undertaking serious case reviews with accredited, skilled and independent reviewers and have a stronger focus on disseminating learning nationally. Ofsted's evaluation of SCRs should end, because serious case reviews need to be about learning rather than about processes or the story of a case; they need to be about supporting analysis, beyond identifying what happened, in order to explain why it happened. They should not be all about blaming people, because blaming individuals for errors and mistakes is unhelpful and counter-productive. Rather than having a blame culture where people try to conceal mistakes, surely it is better for people to work together to identify errors early so that they can be managed or minimised, often through the redesign of local systems. That is not to say that people should go without any repercussions when things have gone wrong, but simply wagging the finger of blame has clouded our judgment too much in the past. The name of the report that we produced in 2007—"No More Blame Game"—is as appropriate now as it was then.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I feel that I should apologise for interrupting the Minister, because he is giving a very good exposition of what is in the report. However, will he deal at this point with the issue of Ofsted not looking at serious case reviews in future? I find that slightly puzzling, and I do not understand the basis for it. In my view, Ofsted's role is not allocating blame but assessing whether it is an adequate case review that properly describes what went on.

Tim Loughton: The hon. Lady makes a good point. I have had reservations for some time about the way in which serious case reviews are produced, read and inspected. This area was clearly highlighted in the report, and the implementation group will need to do a lot more work to see how we get to where we want to be. Ofsted itself will say that evaluating serious case reviews is not the best use of its time and resources.

In the past, we have seen questionable gradings of some serious case reviews. We should be using serious case reviews as serious learning tools. Before the baby Peter case, I did not realise that serious case reviews were not available in their full form to every other director of children's services and other such relevant people around the country so that they could read what had happened in a certain case in a certain authority, say, "Gosh, hold on a minute—could that happen here?", and be alert to the problems that had happened elsewhere

to see whether they needed to do things locally to ensure that they did not happen there. However, serious case reviews in their full form are available only to a very small number of people.

There have been question marks over the consistency of the quality of serious case reviews, who is commissioned to carry them out, who is controlling the quality of the people producing them, and, above all, who is bringing together the learning expertise and learning points to see whether they have generic applications for people up and down the country. That is not happening as a result of the way in which Ofsted does it, with the very best of intentions. We need to get to a place where a serious case review is not about learning from things that went wrong in a particular case but learning from things that went wrong in the system and applying that to the system elsewhere. We also need to ensure that the people producing serious case reviews produce things of a sufficiently high quality. We have a lot of work to do because the current situation is not sustainable and serious case reviews are not producing what we need them to produce.

Mark Tami (Alyn and Deeside) (Lab): Does the Minister accept that we have a media who are obsessed with the blame game? They will attack social workers for not intervening soon enough, and perhaps the following day attack them for wrecking families and breaking up family units.

Tim Loughton: The hon. Gentleman is absolutely right. He might have heard me say on many previous occasions that social workers, and other professionals, are damned if they do and damned if they don't. Certain newspapers will carry headlines saying, "Those terrible, incompetent social workers were to blame—they should have intervened earlier and taken that child into care." Two weeks later, they are saying that those terrible, incompetent social workers are too busy snatching children from good, decent, middle-class families and should be ashamed of it. Social workers cannot win. To get a better system we have to restore the confidence of the public in our child protection system. A key part of that is to get the media to understand more what the job of child protection is all about, and not to be so swift to wag the finger of blame but to help in the explanation and understanding of what went wrong and look to want to bring about solutions jointly, because that is in all our best interests. We are not in that position yet. Things are improving, but we have a long way to go.

Toby Perkins (Chesterfield) (Lab): In the report, Professor Munro expresses how concerned people in the profession are about the Minister's decision to make overviews of serious case reviews available, rather than simply the executive summaries. Many people feel that that reduces the capacity of such reviews to aid learning because it makes people more defensive. It seems that the priority is wrong. I will expand on my views with regard to Ofsted later. Does the Minister accept the concerns of Professor Munro and others who fed into the review about the negative consequences of making the overviews of serious case reviews widely known?

Tim Loughton: I do not think that the hon. Gentleman is entirely right. Actually, Professor Munro supports the publication of full serious case reviews. She would much rather support the publication of a better form of serious case review, which is what we need to get to.

Professor Munro made the right decision to make serious case reviews open and accessible subject to three criteria: first, that the anonymity of the characters involved is maintained; secondly, that there is appropriate redaction where information would intrude on private details; and, thirdly, that it will not go ahead if a case can be made that publication in full would be detrimental to the welfare of a surviving child or sibling. With those considerations, I think it is absolutely right that we should all have access to those reports as a learning exercise.

If the hon. Gentleman is saying, as others have, that people might be less prepared to co-operate with such reviews, he is wrong, because it is in all our interests to ensure that the fullest information possible is in the public domain so that it can be assessed and the lessons learned. The people who will benefit most from the publication in full of serious case review overview reports are social workers, for the very reason set out by the hon. Member for Alyn and Deeside (Mark Tami), who is no longer here: when there is a tragic incident, it is always the social workers what done it. When one reads the full details, one finds that in some cases the police were not too clever or perhaps there were serious shortcomings with the GP, the school or various other agencies. However, it is always social workers who are on the front line. It is only by seeing the full picture that one can get an understanding of what was the weak link in the chain or where the co-operation between agencies that is needed did not happen properly. I do not agree with the hon. Gentleman's analysis.

Already, a lot of learning has come from the serious case reviews that have been published in full in Haringey and on the Khyra Ishaq case in Birmingham. All serious case reviews published after 10 June 2010—we have not had one yet—are obliged to follow the new publication process.

Mrs Helen Grant (Maidstone and The Weald) (Con) *rose—*

Jim Shannon (Strangford) (DUP) *rose—*

Tim Loughton: I will give way to my hon. Friend, and then to the hon. Gentleman.

Mrs Grant: In addition to stopping the blame, does the Minister agree that more credit should be given for the hideously difficult job that social workers have to do?

Tim Loughton: My hon. Friend has great expertise in family law and in this matter, and she is absolutely right. Serious case reviews should reveal not just the failures and the bad things, but good practice so that we can learn from where things went right. Of course, we only ever read about the stories that go wrong in the papers. The media are not interested in the plane that lands safely. People do not really understand social work. It is easily caricatured, and that happens even in the soap operas that we see on our screens. Our report in 2007 made the not entirely flippant suggestion that there should be a soap based on social workers to give the public a better understanding of the exceedingly complicated

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job that they do. Day in and day out, they have to exercise the judgment of Solomon in deciding whether children should be taken into care or left with the family.

Jim Shannon: May I remind the Minister that these are devolved matters in Wales, Northern Ireland and Scotland? Learning, experience and good value have been mentioned. Does he intend to make the devolved Administrations in the Assemblies in Wales and Northern Ireland and the Parliament in Scotland aware of the 15 recommendations in the Munro report? I think it is good to exchange information for the benefit of parts of the United Kingdom that might not have experienced what has happened in England and Wales.

Tim Loughton: The hon. Gentleman is absolutely right. There has been some correspondence between Professor Munro and the devolved Assemblies, and I have been trying for some time to meet my counterpart in Northern Ireland to go through such matters with him or her, whoever it was on either side of the elections. I am keen to go and hold conversations with our counterparts in Scotland, Wales and Northern Ireland so that they can hear what we are doing, but also so that I can hear what they are doing. There are different ways of working in those areas.

Jeremy Corbyn (Islington North) (Lab): Like the Minister, and I think everyone here, I welcome the Munro report. The hon. Member for Maidstone and The Weald (Mrs Grant) made a point about the status of social workers, how they appear in public and how the newspapers denigrate them. There is also the problem of young social workers who are just out of university and newly trained and qualified having enormous difficulty in getting their first job, because they lack experience. Particularly in areas of inner-city Britain such as the one that I represent, there is great difficulty in retaining social workers because of housing difficulties and because of the enormous pressure and case loads that they face in fast-changing, high-turnover communities. It is not surprising that many do not stay on. I am sure the Minister is well aware that that turnover debilitates the entire service.

Tim Loughton: I agree, and we could have a debate just about the list of matters that the hon. Gentleman mentions, most of which are covered in the Munro report. The social work profession in this country has an awful lot of good people who do not get recognised and some poor people who need to be weeded out. In the past, people have felt frustrated and undermined, and the media onslaught against them has been completely demoralising. They have therefore left their jobs or taken early retirement, because the pressure has been too much for them. Who would want to go into a job like that, after all the publicity about baby P and other cases? Who would want to put themselves in the firing line by taking a job in which they try to do their best, but blame is pointed at them because they happen to be a social worker, even though they might be doing a good job?

We have problems at both ends. We need to retain and encourage good social workers and ensure that they can do their job as efficiently as possible, and we also need to ensure that the people coming into the profession—there has been a big rise in applications for social work degrees recently—are the right people. They need to have the necessary calibre and dedication and be there for the right reasons, and we need them to stay the course. That is part of the work that the Social Work Reform Board is doing and part of the reason why the College of Social Work is so important. Having a chief social worker, which is the 15th recommendation in the report, will help to raise the game. It will raise the profile and status of the profession, and it will give people in it the feeling of being valued. Those are important matters.

Jim Shannon *rose—*

Mr Graham Stuart (Beverley and Holderness) (Con) *rose—*

Tim Loughton: I will give way to the hon. Member for Strangford (Jim Shannon) and then to my hon. Friend the Member for Beverley and Holderness (Mr Stuart), but after that I would quite like to make some progress; otherwise nobody else will get in.

Jim Shannon: The Minister will be glad to know that the new Minister in Northern Ireland is a colleague from my party, and that the new Northern Ireland Ministers have hit the ground running. I assume the situation is the same in Scotland and Wales. I am sure that he will find an open door from the Minister in Northern Ireland, and probably from those elsewhere in the UK.

Tim Loughton: I am grateful. I am planning a visit to Belfast next month, and if the hon. Gentleman's colleague would like to meet me, I would be delighted.

Mr Graham Stuart: When the Select Committee on Children, Schools and Families looked into the training of social workers in the last Parliament, it found that they could find themselves dealing with the most acute and difficult children's cases having had placements in their training that did not involve children's social work at all. They went from having no experience at all to the front line. Has the Minister been able to do anything about that yet, and if not will he tell the House what he will do about it?

Tim Loughton: The Chairman of the Select Committee on Education again makes a very good point and he has a good deal of expertise in this matter. It is completely self-defeating for newly recruited social workers to be turfed in at the deep end on tier 3 or 4 cases—serious cases—with little experience or expertise. How demoralising is that, let alone the danger it poses for the vulnerable children who need to have the appropriate level of support?

A number of things need to be done and they are being done. We need to ensure that we have the right calibre of people coming out of universities with degrees in social work. In the first year after their qualification, they should be given on-the-job guidance and training, preferably by people with great expertise. They should be eased into jobs at an appropriate rate in appropriate circumstances. My hon. Friend raises a very important point. Virtually every week I speak to social workers

and visit children's services departments—I make a point of seeing social workers on the front line—but I have met too many who are given challenges for which they are not appropriately equipped at that stage.

I should like to make progress now because I am keen for other hon. Members to contribute and I have a few more points to make. I got up to recommendation 10—I do not know why recommendation 9 brought about the pause that it did. Recommendation 10 is that the Government should place a duty on local authorities and statutory partners to secure the sufficient provision of local early help services for children, young people and families. That is very appropriate to the early intervention work that the hon. Member for Nottingham North (Mr Allen) has been doing for the Department.

Recommendation 11 is that the social work reform board's professional capabilities framework should incorporate the capabilities necessary for child and family social work. That is precisely the point that the Chairman of the Education Committee just raised. That framework should explicitly inform social work qualification training, postgraduate professional development and performance appraisal.

Recommendation 12 is that employers and higher education institutions should work together so that social work students are prepared for the challenges of child protection work, including through better quality placements.

Recommendation 13 is that local authorities and their partners should start an ongoing process to review and redesign the ways in which child and family social work is delivered.

Recommendation 14—I am almost there without taking another intervention—is that local authorities should designate a principal child and family social worker who can report the views and experiences of the front line to all levels of management. I have too often seen good social workers, who have built up good reputations and who are really good hands-on, get promoted, become managers and get stuck behind a desk. In that way, we lose front-line expertise. Some models, such as the one in Hackney, mean that people can gain seniority within their profession but not lose contact with people at the sharp end and the families that they entered the profession to help.

The 15th and final recommendation is that a chief social worker should be created to advise the Government and to bring the voice of the profession to policy. That was discussed recently in relation to the Health and Social Care Bill, and it was a recommendation of my report back in 2007.

Mrs Grant: Does the Minister agree that to safeguard children—in addition to that very comprehensive list—much more needs to be done generally to strengthen families?

Tim Loughton: The hon. Lady is absolutely right. The first priority—this is the most desirable outcome for any family who find themselves on the child protection radar of a children's services department, and who become a social worker's focus of attention—is keeping that family together. We should ensure that where possible, the child can be kept with that family. The phrase "fostering a family", which has been used before, means ensuring that parents have the parenting skills and that it is safe for the child to stay with them. Only when leaving a child with a family is deemed unsafe should we consider taking them into care. Of course, the work done in the Department for Education and the Department for Work and Pensions—the projects that deal with families with multiple problems—aims to ensure that parents have the tools and the confidence to parent properly. In too many families in this country, there is a serious problem with the standard of parenting. The right hon. Member for Birkenhead (Mr Field) made that point very clearly in the report that he produced for the Department for Education.

Bill Esterson (Sefton Central) (Lab): Will the Minister give way?

Tim Loughton: As the hon. Gentleman is new, I shall give way one last time.

Bill Esterson: I apologise for being late—I was on the Finance (No. 3) Bill Committee, which has just finished.

The Minister's last point—on whether a family should be kept together and at what stage a child is taken into care—gets to the nub of child protection issues. I hope he agrees that the threshold for making, and the timing of, such decisions bears constant review and analysis.

Tim Loughton: The hon. Gentleman is right. An understandable result of what happened with baby P is that social workers have become more risk averse. If it is a marginal decision, they might take the child into care just in case, whereas if they have the time, space and appropriate tools and applications to deal with that family, it might be possible to keep it together rather than break it up.

I have set out Professor Munro's recommendations for reform. Rightly, they address every aspect of the system. Rightly, they place the child at the centre. And rightly, they have as a basic principle the importance of placing trust in skilled professionals at the front line. It is of course the case that there are vulnerable children outside the immediate child protection system, and we need to improve radically how they are supported and make sure that they have a voice.

One of the main groups of such vulnerable children, for which I have responsibility, is of course children in care. With more than 64,000 children in care at the moment, we need to improve all aspects of their lives, including placement stability, education, health and the transition to adulthood, which are all priorities for Government and the wider sector. If we get Munro's proposals right, there will be benefits for all those involved in children's social care, not just those at the acute end of child protection.

From 1 April, we introduced a new statutory framework for looked-after children, which is far more streamlined, coherent and clear about the "must dos" for local authorities. In particular, we have brought together the care planning regulations and guidance into one volume, which should ultimately help councils put together better care plans. Less is often more. We have also strengthened the role of independent reviewing officers so they can challenge poor care plans, and make sure children's voices are at the heart of all reviews. We have given clear steers in the revised fostering guidance about how local authorities should support foster carers and children

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better. The revised transition guidance makes it clear that young people should leave care only when they are ready and have a strong support package in place.

I have also written to every local authority about foster carers being encouraged to treat foster children in their care no differently from their own children. In March, I launched the foster carers' charter, which sets out clear principles for the support that should be available, what foster carers can expect and what foster children can expect of their carers.

I also launched earlier this year the Tell Tim website so that carers and, in particular, children and young people in care can let me—as the Minister responsible—know directly what they think is working well, what improvements they think need to be made or what is going wrong. I have also set up reference groups so that I can hear from foster children, care leavers, adopted children and children living in residential homes. Just this week, I met my regular group of young people who have left the care system, who recount their often moving and relevant experiences of what is going wrong in the system. We could all learn a lot if we spent more time with the children who are still being failed because, through no fault of their own, they have become part of the care system.

As hon. Members will be aware, some children and young people—including young runaways—become victims of sexual exploitation. The report published by Barnardo's in January, "Puppet on a String", highlighted the scale and severity of this horrific abuse. I pay tribute to Barnardo's work and expertise in this area and I especially congratulate Anne Marie Carrie for hitting the ground running in her first few months at the helm of Barnardo's.

The Government are determined to do everything possible to stamp out this abuse and safeguard vulnerable children and young people. Recent events brought to light in the midlands through Operation Retriever and the other ongoing police investigations underline the extent of this insidious abuse. As the lead Minister in this area, I have been urgently considering, with my colleagues at the Home Office, Barnardo's and other national and local partners, what further action should be taken. The Government are now committed to working with partners to develop over the summer an action plan to safeguard children and young people from sexual exploitation. This will build on existing guidance and our developing understanding of this dreadful abuse, including through local agencies' work around the country. It will include work on effective prevention strategies, identifying those at risk of sexual exploitation, supporting victims, and taking robust action against perpetrators.

Another area where excessive central prescription has had unintended consequences, leading to risk aversion rather than risk management, is in vetting and barring. The Government believe that children will be better protected if we move away from unnecessary and top-down bureaucracy towards more responsible decision making at a local level. It is vital to balance the need to protect the vulnerable against the need to respect individuals' freedoms, and not to create a system that imposes unnecessary burdens on individuals or organisations. That is why the Government undertook a review of the barring and criminal records regimes in order to scale them back to common-sense levels. We need to get away from a system that has unintentionally driven a further wedge between children growing up and well-meaning adults who come forward genuinely to offer their time to volunteer and to work with young people. They have been deterred from doing so by all the regulation.

I spoke earlier about the action we were taking to improve the lives and prospects of children in care. For many of those children, adoption will be the most appropriate outcome, which is why in February I issued new guidance with a call to arms to local authorities to re-energise their efforts on adoption and improve front-line practice. This refreshed and improved statutory guidance will be an important element in the Government's programme of reform aimed at supporting adoption agencies in removing barriers to adoption, reducing delay and continually improving their adoption services.

Andrea Leadsom (South Northamptonshire) (Con): Does my hon. Friend agree that it is essential, when adoption is the best answer, for it to take place before the baby is two in order to give that child the greatest chance of bonding with the new family?

Tim Loughton: My hon. Friend, who has great expertise particularly in dealing with young children and in the whole area of attachment, knows how important it is that a child growing up is able from an early age to bond with, and develop an attachment to, parents or carers. We know from all the statistics that young children who are unable to grow up safely with their own parents benefit from adoption, where appropriate, at an early stage. If we can find them an appropriate adoptive placement, their chances of growing up as normally and conventionally as if they were with their own parents are greatly heightened, and they will have a better chance of catching up with their peers who are lucky enough to be able to grow up with their parents, so she is absolutely right.

Meg Munn: I welcome the tone that the Minister is taking in this debate. On adoption, may I ask him equally to adopt another approach—if that is not too many adoptions? It is enormously difficult to make the decision to place a child for adoption. It is a lifelong decision, and it is as important not to rush into it inappropriately as it is to make the decision to go for adoption. In reality, some of the biggest problems derive from other matters in the process, whether decision making in local authorities or decision making in the courts. I urge the Minister to consider those issues as well.

Tim Loughton: The hon. Lady is right and will know that we have been doing a lot of work on adoption. I have set up a ministerial advisory group with all sorts of people, and we have issued new guidance, as I said earlier. We need to balance timeliness with appropriateness to ensure that where it is clear—it is not always so—that an adoptive placement is the best way forward and in the best interests of the child, we get on with it.

There are, I have to say, some people who, usually because of excessive addiction to drugs and alcohol and a complete failure to rehabilitate, will never be able safely to bring up children in their care. I have sat in family courts and seen parents—usually single mothers—have their ninth, 10th or 11th child taken into the care

system. If that parent's situation has not improved, can we be sure that it will ever improve? Need we take that risk, and wait years while a child is kept in an abusive situation? Again, those decisions require the judgment of Solomon, which is why I will shortly be holding a round-table meeting with a group of judges from the family court, directors of children services and chairmen of adoption panels to consider how we can make the adoption process better, more efficient, more robust and fairer; to ensure that we are making the right decisions for the too many children who are left in the system and could benefit from adoption; and to ensure that we are not taking into adoption children for whom it is not appropriate. I know that there are concerns there as well.

Finally, we need to remember in our policies the particular needs of vulnerable young people and the fact that they have the same right to enjoy the rich experiences of growing up, the transition to adulthood and becoming valuable members of society as those lucky enough to be part of safe, loving and stable birth families of their own. I recognise that it is vital for the sensible policy put forward by Professor Munro to be backed up by proper investment. As my hon. Friends will be aware, the Government have already announced some funding to support work force development, but the real cost is the cost of failure. The current system needs fixing. Because it needs fixing, huge amounts of resource are wasted. One local authority that has been working with Professor Munro and the review team as a "journey authority" calculated that around 50% of its children's social care workers' time is wasted in nugatory activity that does not add to the quality of service or outcomes, which is something that the authority is now starting to recoup—a resounding endorsement of the need to eliminate unnecessary red tape if ever there was one.

Few things are more important than helping and protecting vulnerable children and young people. In our first year in government, we have shown in the wide range of actions that we have taken—on child protection, children in care, adoption, fostering and dealing with the sexual exploitation of children—that we are deeply committed to tackling these issues, and I am determined to ensure that we make progress. Sadly, we need to recognise that despite Government reforms and the hard work of professionals, tragedies will still happen. There are individuals who will harm children. We cannot eliminate that risk, but we can all work to help to reduce and manage it—indeed, we all have a duty to do so. Society is right to expect professionals to take responsibility and make the best judgments that they can in the best interests of children. Those judgments will not always be the right ones, but they need to have been made for the right reasons and on the best possible evidence.

This Government believe that we need to move towards a child protection system with less central prescription and interference, and in which we place greater trust and responsibility in skilled professionals on the front line. Professor Munro has provided us with a thorough analysis of the issues. It is now for the Government, working with the sector, to help to bring about sustainable reform. That is why I have established an implementation working group, drawing in expertise from local authority children's services, the social work profession, education, police and the health service, to work with the Government to develop a response to Professor Munro's recommendations by the summer recess. We are today publishing on the Department for Education website the first account of the group's deliberations, which started at the end of last month.

Mr Graham Stuart: Will my hon. Friend give way?

Tim Loughton: Before I reach the final line of my speech, I will give way to my hon. Friend.

Mr Stuart: I am delighted to hear that those other agencies are represented on the implementation group. Will my hon. Friend say a little more about the group's remit and how we can ensure that other Departments integrate with it, so that it is not just the social work profession that looks to respond to the Munro review?

Tim Loughton: The Chairman of the Select Committee on Education makes a good point. The people serving on the group, whose names are published on the website, have been chosen not because they are the great and the good—although I am sure many of them are great and some of them are good—but because they are experienced practitioners with expertise in their particular areas. For example, we have on the group the chief safeguarding expert from the Royal College of Paediatrics and Child Health, and a safeguarding expert from the NHS Confederation. We also have the Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton), who is the Minister responsible for public health, a senior headmistress of a secondary school, a senior headmistress of a primary school, a senior police officer with a long record in child protection, a real social worker from the front line, along with a Labour councillor from an authority with a good track record in child protection, and so on.

This is absolutely about getting all the right parts of the jigsaw together and trying to produce a system that, by working together from the same song sheet and with the same priorities and the Government's backing, produces an environment that ensures that we can keep more of our children safer. Today's debate—even though I have taken up rather too much of it, and more than I had intended—will help to inform the implementation group's response. I very much look forward to my hon. Friends' contributions this afternoon.

4.34 pm

Toby Perkins (Chesterfield) (Lab): I echo the Minister's welcome for the work of Professor Munro, and thank her and everyone involved in the production of the report. I also give the Government credit for commissioning this important piece of work. Unlike many other reports on social work, this review has not been produced in the immediate aftermath of a specific, much-publicised tragedy. It takes a holistic view of how we could protect the most vulnerable children in our society better. I also echo my hon. Friend the Member for Sheffield, Heeley (Meg Munn) in welcoming the tone of the Minister's remarks today. We look forward to working constructively with the Government to take forward Professor Munro's recommendations.

Protecting our most vulnerable children is crucial, difficult and emotionally charged work. Providing the most resilient environment in which to protect children

[Toby Perkins]

is a responsibility that has challenged and exercised Governments of every hue for many years. I pay tribute to the many hundreds of social workers who, through their hard work, commitment and professionalism, literally save lives. Social workers know that theirs is often a thankless task. When they perform at the top of their game to improve lives for the better, safeguarding children from harm and assisting families to get back on to the right path, they rarely get bouquets or thanks. They do not expect to get even a mention in the local free paper. Their own satisfaction at having made a difference has to suffice. But they also know that should any of the multitude of their borderline decisions be proved, with the benefit of hindsight, to have been wrong, and should a tragedy then occur, they will be on the front page of every newspaper in the land and held to account for their decisions.

It is in that context that Professor Munro produced her report, and that the previous Government took many significant steps to support the social work profession and our children. It is also in that context that we all have a duty to speak up for the importance of the work that social workers do, and to recognise the knife-edge nature of much of their decision making in an imperfect world.

I shall also follow the Minister's lead in thanking foster carers across the country for their invaluable work. I know from personal experience how vital their role is. I also welcome the measures to make the route to adoption a quicker one. As an adoptive parent myself, I know the importance of children being taken on by a new family as early as possible, once they have been identified as suitable for adoption.

This is not the first report on protecting children to call for a change in society's attitudes towards and expectations of the social work profession. Nor is it the first to call for an approach that puts children at the heart of our thinking on this subject, but it is no less valuable or right to call for these things just because they have been spoken of before. We recognise that in this vital area, progress is always more easily made when there is a sense that all the parties involved are working together constructively and positively, and there is a great deal in the report that we are happy to support enthusiastically. It builds on many of the reforms that the previous Government embarked on, and endorses many of the structures that they implemented. It also builds on the work of the social work taskforce and the social work reform board, whose contribution the review warmly endorses.

I shall turn now to the specific recommendations in the review. In calling for a child-centred approach, it recognises that the needs and rights of the child, and the child's involvement in and ownership of a process that might be happening at a confusing and frightening time in their lives, must be paramount. We absolutely support that idea, and recognise that children must feel that the interventions and decisions being made about their future should involve them and not just be a process that happens to them. We are pleased that the review recognises that we all owe a debt of gratitude to the firm foundations of reform laid down by the social work taskforce. Among many other reforms introduced by the Labour Government, the report recommends the protection of, and specifically cautions against the dilution of, the role of directors of children's services. I shall return to that point later. The report also endorses the vital role of the College of Social Work in lifting standards and representing the profession internally within local authorities and more broadly across all parts of our society.

The report gives further support to local safeguarding children boards, and to the 10 principles of the assessment framework. We hope that, as recommended in the review, the position of chief social worker will be able to play a key role in promoting the interests of children through the improvement of the profile and professionalism of social work, and through influencing Government policy on behalf of children and the profession.

We will support any efforts that will improve the standing of social work. This includes its profile within the media and among the wider public. It includes helping to make social work a career of choice for talented graduates, helping to build the self-esteem of the social work profession and, within the House, recognising the debt we all owe to the profession for the work it does on behalf of our most vulnerable children and families.

Jeremy Corbyn: My hon. Friend will have heard my earlier intervention on the Minister about the status of social workers, and I am sure he will have agreed with me. Does he also agree how important it is to have some sort of steer or directive for local government to take on newly qualified social workers and to provide them with the relevant training and entry into the profession? I observe huge cuts taking place in local government all over the country, as a result of which there are fewer new job opportunities for qualified social workers—and therein lies a problem 10, 15 or 20 years down the line.

Toby Perkins: My hon. Friend is absolutely right. The problem is not just 10 or 15 years down the line; it is more immediate. When we know that there are social work vacancies around the country, it seems bizarre that newly qualified people in this sector are finding it difficult to find work. Professor Munro's recommendations on practice and assessment years at the early stages will make a significant difference—at least, I hope they will. My hon. Friend is absolutely right about the considerable anecdotal evidence that newly qualified social workers are finding it difficult to find work. I hope that the proposed measures in the report will be followed through, as it is vital that people should choose to work in this area. As the Minister has said, we want to make social work an attractive career option for talented people leaving university, but if those people find it hard to find work as a social worker, that is going to become more difficult.

Andrea Leadsom: Does the hon. Gentleman agree that one way to support new young social workers freshly out of university would be to provide a better end-to-end network of support, taking into account what is already available in children's centres and other therapeutic services that could be available in a package, which could help to provide the network of support that social workers desperately need?

Toby Perkins: The hon. Lady makes a valuable point. The Munro review recognises the significant steps made in the direction of partnership working and some of the challenges, particularly in difficult financial circumstances. The report also deals with other innovations that might be needed to help achieve the hon. Lady's suggestion in her valuable point.

The report's recommendations on the education, training and continuous professional development of social workers are an important step forward. We entirely endorse the review's commitment to the highest standards and consistency of education, the importance of the highest quality of practice placements and the new supported and assessed first year in practice, acting as the final stage of becoming a fully practising social worker. We recognise that more must be done to strengthen the quality of social work in this country, and a real commitment to improving education and recruitment will be very welcome.

We also believe that the recommendation for local authorities to appoint a principal children's and family social worker could play an important role in ensuring that the voice of those who safeguard our most vulnerable children is heard loud and clear in every town hall in the land.

We particularly welcome the further support for early intervention to identify and work on problems as soon as they are presented. Professor Munro particularly identifies the importance of early intervention whenever it occurs in a child's life, and we entirely agree with her on that. Although many families that require the help of social services might appear likely to head down the wrong path in life from an early stage, changing circumstances can mean that children and families hit problems and need support at any time in the childhood journey—and the earlier those problems are identified and the more broadly all parties work together, the better the chance that families can be kept together and problems averted before they become impossible to deal with.

The review also focuses at length on the importance of partnership working, extolling the virtues of the existing networks in early years practice and the importance of a constructive relationship with the police, mental health services, adult social services and health professionals. The review expresses the fear that widespread changes and the desperate financial position in which some public services find themselves could lead to a fracturing of the partnerships. Indeed, we are already seeing evidence of that.

We know from the Secretary of State's letter to Professor Munro, the choice of Professor Munro to head the review team, and the press releases that have emanated from the Department for Education that the need to cut paperwork and bureaucracy in order to enable social workers to do what they should be doing is intended to be a prominent theme, but anyone who focused solely on that element of the report would greatly undermine its quality and depth. I hope that no one will again attempt such a paraphrase, because the quality of the research and the importance of the issue deserve better. I am thankful that the Minister went far beyond that in his speech today.

We welcome the recognition of the importance of administrative support for social workers so that they can spend more time in the field. It is sad, however, that that comes at a time when Unison is reporting that many of its members with administrative roles are among the first to be laid off in councils. Administration and record-keeping vital: they can save social workers' time, and are invaluable to the quality of their intervention. No one in this House wants to prevent social workers from spending as much time as possible working with children and families, and we all know that social workers themselves do not go into the profession with the dream of sitting at a wooden desk typing away.

There is no doubt that the review team considered at length the amount of central prescription and the amount of time spent on administration—matters that have also concerned the profession and its representative bodies and unions. We support the pilot schemes that are taking place in four authorities with the aim of relaxing time scales. They are at an early stage, but we look forward to the outcome. We urge the Minister to ensure that the additional quality assurance measures referred to in appendix D and implemented in Hackney are tightly observed while those trials are being completed, and that before anything is done to make the changes widespread, the full implications of those changes are understood.

Mr Graham Stuart: The hon. Gentleman touched on the subject of bureaucracy, but he did not make his views clear. Does he accept that there was too much prescription from the centre, does he accept that it was getting in the way of effective social work, and will he give an undertaking that a future Labour Government would not seek to reverse sensible, practical and common-sense attempts to reduce bureaucracy and ensure that the priority is given to the front line?

Toby Perkins: I shall deal with that point in some detail later. However, I can say that we support the trials that are taking place. If the professionals feel that some measures can safely be dispensed with, that is acceptable as long as safeguards are established, as they have been in Hackney, to prevent slippage of cases. We do not want social workers to lose sight of the importance of some cases along with the paperwork.

The report is evidence based, and Professor Munro identifies both excitement and anxiety in the profession about the steps to be taken. Throughout its time in government Labour took advice from experts seriously, as the present Government are doing.

Meg Munn: In the report, Professor Munro observes that

> "most bureaucracy which limits practitioners' capacity and ability to practise effectively, is generated and maintained at a local level."

We should consider that carefully. Headlines that blame people for bureaucracy are not helpful. We need to identify where the bureaucracy is coming from, and tackle it properly.

Toby Perkins: My hon. Friend speaks on the basis of tremendous experience as a result of the work that she did before entering the House—and, of course, since doing so—and she is absolutely right. Trade unions, social workers and others in the profession want us to proceed as carefully as possible. I reiterate that there is

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nothing that we want more than social workers who are enabled to spend the maximum amount of time with the children and families with whom they are working.

We support the pilot scheme in four authorities, and we urge the Minister to ensure that the additional quality assurance measures referred to in the report are followed so that the full implications of the changes are understood before any measures are taken to make the scheme more widespread. The proposed changes are important and offer advances, but they must not be rushed. The Ofsted report detailing children's experiences before entering care demonstrates the importance of social workers spending time in face-to-face, one-to-one meetings with the children and families in their care, but the research also shows how varied the quality of practice is, and with that in mind, and in advance of the improved education and training—and also in the context of the difficult financial settlement facing local authorities—it must be stressed that it is vital that every care is taken.

The National Society for the Prevention of Cruelty to Children echoes this view. It states:

"The Government should not move too quickly to rapid deregulation. It needs to invest heavily in building the skills, confidence and experience of all professionals working with children. Controls which safeguard against poor practice must stay in place while professionalism is built. Otherwise, children's lives could be put at risk."

We entirely support those comments.

We have concerns about the portability of documentation if each local authority has a different common assessment framework. The whole point of having a common piece of documentation was that it would only need completing once. Perhaps it could be slimmed down and used by all partner agencies, wherever they are. If that documentation needs to be re-done every time a child moves from one authority area to another, the intention of cutting back on paperwork may be undermined.

We also have concerns about the recommendation and current direction of travel with regard to serious case reviews. The review rightly identifies the importance of learning lessons from SCRs. Alongside learning lessons, however, they must also perform the task of building public confidence in the profession and illustrate that there is no cover-up, no attempt to hide from the truth and no sense of the ranks being closed. There is a delicate balance to strike.

Local safeguarding children boards are not forced to be independent and are inevitably seen by some as internal partners, having a relationship with the practitioners providing the service. In some cases, they are chaired by the director of children's services. The independent evaluation of the work of LSCBs on SCRs offers an important neutral balance to ensure that the correct lessons have been learned.

Professor Munro identifies LSCBs' unhappiness at the role of Ofsted, but I wonder whether the independent assessments analysing the quality of the SCRs might check on how successfully lessons are learned. It does not seem to me that the fact of an evaluation in itself prevents a culture change towards a more learning-based approach. Whoever does independent inspections in future can be directed by the Minister in whichever way he wants, but simply to abandon any sort of independent review until a new body is in place in the next year or so is unsatisfactory.

We also feel that the decision to publish the entire overview of SCRs is having, and will have, very negative consequences. When in government, Labour increased the transparency of executive summaries of SCRs, but we feel that the balance is now leading to a less helpful situation. Professor Munro highlights on page 61 of the review the unhappiness felt by many in the profession about this move. It can hamper the attempt to make learning the principal aim of SCRs, and it inevitably restricts the enthusiasm of some practitioners to be frank about what they may have got wrong. We need to see the culture change before there is a move towards publishing the entire overview of the SCR. This also inevitably makes it highly unlikely that the better reporting of social work practice by the media that the Munro review cries out for will happen. It is also apparent that other partners are stepping back from getting involved in SCRs because of the full reporting of them. The Minister was right to say that if people are refusing to get involved in SCRs, that is wrong, and it is important that we learn those lessons. We are worried that publishing the full overview of them is having that effect, however, regardless of whether that should be done in the best interests of our children.

There is also anecdotal evidence, which we will be investigating further, that the threshold for serious case reviews is being lifted by authorities and that they are deciding that they are less likely to do them. Again, that will have a negative impact on our capacity to learn from past mistakes. It seems an odd set of priorities to remove the independent evaluator of serious case reviews at the same time as we are opening them up to wider public and media scrutiny. That suggests a "kangaroo court" approach, which is totally out of keeping with this review, and it could be a seriously retrograde step.

I mentioned that the review had identified, as had our own work with local authorities, that the role of the director of children's services to be a purely child-centred position was under threat. That is hardly surprising, given that the Secretary of State for Communities and Local Government is positively encouraging this sort of change to local government practice, with managers merging roles and councils becoming a little bit cheaper and quite a bit worse. That seems to be the Pickles recipe for local government. We urge this Minister to stand up for children against the right hon. Member for Brentwood and Ongar (Mr Pickles) and we urge councils to protect the role of director of children's services.

Jessica Lee (Erewash) (Con): Does the hon. Gentleman not accept that the flip side of his argument about serious case reviews is compelling? We must be transparent at this point and we need to assist all professionals working in child protection. Everybody needs all that information if we are going to learn the lessons, not only from where things have gone wrong, but from good practice. We need to have full transparency, and serious case reviews must be published in full.

Toby Perkins: As I said, we take advice from specialists in the profession and many people within the social work field are deeply concerned about that issue; page 61 of Professor Munro's report alludes to those concerns.

Of course transparency is important, and it is precisely for that reason that we would like an organisation that is seen as independent continuing the evaluation of serious case reviews. However, alongside that important transparency, we need to deal with key issues relating to the protection of anonymity of both professionals and people within the families. It has been relatively easy for people in local areas to identify who has been alluded to in many of the serious case reviews. In one example that I was told about by a social work professional, a serious case review referred to a relative of a soldier serving on the front line. If that review had been published in full, a difficult situation could have been caused for someone who was already in a difficult position. Although I share the hon. Lady's idea that transparency is important, and it is for precisely that reason that an independent review of the evaluation must remain a part of the system, I question whether this approach will aid learning and will instead reduce people's willingness to get involved.

Much of this review is dedicated to the importance of improving the quality of social work training and the continuous professional development journey that social workers go on, yet worrying signs are already emerging about councils reacting to the savage cuts forced on them by cutting back on CPD and training. We also share Professor Munro's alarm about the evidence of cuts to early years provision. Some 25% of Children England member organisations are experiencing cuts of more than a quarter of their income—for them it seems as if the big society is rapidly shrinking. The Minister needs to stand up for early years funding if the measures on sharing responsibility for early help set out in this report are to be more than warm words. Continued denial about the scale or fact of the cuts will simply suggest that the Government are not serious. It is particularly worrying that areas with the highest level of deprivation and the highest demands on social services are the very ones that have seen the largest Government cuts.

Andrea Leadsom *rose—*

Toby Perkins: I will just make this point and then I will be happy to allow the hon. Lady to intervene.

I have referred to the survey that we sent to every director of children's services in England on the state of safeguarding services. We had an excellent response from a significant proportion of local authorities and a number of patterns emerged. Local authorities are trying desperately hard to protect spending on safeguarding, and we salute them for that. However, despite that commitment, 36% of local authorities expected case loads to increase this year and only 10% expected them to fall. One assistant director of children's services explained the paradox of statutory guidance.

Before I move on any further, I will allow the hon. Lady to intervene. I was trying to find a natural pause, but the words just flowed so wonderfully that I could not stop.

Andrea Leadsom: I am very grateful. In this time of financial austerity, is it not more important than ever to get good value for money by focusing on prevention rather than having the massive costs, further down the line, of taking children into care?

Toby Perkins: Absolutely. This is a matter on which there is clearly consensus across the House, but there is a difficulty when it comes to the reality on the ground, for example in Sure Start centres and with early intervention. People are seeing that the—for want of a better word—rhetoric around early years is not being supported by funding, and there is a danger that the massive cuts to local authorities mean that they might not be able to follow through on worthy intentions such as those that the hon. Lady mentioned, which are shared by Members across the House.

One assistant director of children's services said that statutory guidance was extremely important to ensure that she could stand up to councillors who look to her services for cuts, as it meant she could say, "This is stuff that we have to do." She warned that the more freedom local authorities were given to drop safeguards, the more likely councils would be to cut back on safeguarding. That is not an argument for keeping in place regulation that we can do without, but it is a possible unintended consequence of which the Minister should be wary.

Our survey also showed that directors of children's services are almost unanimous about the impact of cuts on police, mental health and primary care services, saying that it will reduce their ability to safeguard children in their care. That is the voice from the ground and no one can run away from it.

On the subject of local authorities' identifying which models of best practice they want to follow, we are again in support of the principle, but I am interested to know what drivers of best practice the Minister feels he has at his disposal to improve standards. Is he worried that if each council is radically different in the way that it provides services, the transition for social workers who move from one authority to another will be more difficult? Will it increase the postcode lottery? Will there be even greater variation in the quality of service provision from one authority to another?

As I have said, our greatest reservations about the direction of travel proposed in the report are not about Professor Munro's suggestions, but about whether the Government will put legislative and financial muscle behind the changes that she suggests. An exciting opportunity to build on past progress has been presented, and the Government, having commissioned this report, now need to act on it fully, with the relatively minor exceptions that I have described.

We worry that the dogma of cutting back on the state could overpower the genuine desire to do the best for our most vulnerable children. The Minister and the Government can rely on us to support them on these reforms if they actually provide the resources needed. This is not an opportunity for cherry-picking, but it is a time for boldness. The Minister and the Government have an opportunity to act and we hope that they seize it because our children deserve nothing less.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. This was always going to be a short debate for Back Benchers, but it has been made somewhat shorter, so I am introducing a six-minute limit to ensure that as many Back Benchers as possible get in.

5.3 pm

Mr Edward Timpson (Crewe and Nantwich) (Con): Thank you, Mr Deputy Speaker, for giving me the opportunity to contribute to this significant, serious and now rather too short debate on this extremely important issue. Only a few months ago, I was granted an Adjournment debate on how we can improve outcomes for children in care and I am pleased that many of the arguments I raised with the Minister, together with recommendations on how to reform and strengthen the care system, particularly around child protection, are very much at the heart of the Munro report. I must declare an interest as a non-practising family law barrister specialising in care cases as well as being the son of foster carers who have fostered 90 children over the past 30 years.

The reaction to the Munro review has been almost universal in its praise. I have read the responses of the National Society for the Prevention of Cruelty to Children, the Association of Directors of Children's Services, Action for Children, Home-Start, the British Association of Social Workers and the British Association for Adoption and Fostering, among others, and they all agree that the report is an important opportunity to create a high-quality child protection system. This prompts me to ask why these changes have not already happened. It is not as though previous reviews and reports have not drilled down and exposed the inherent flaws in the system.

In his second report of March 2009, Lord Laming lamented the

"over-complicated, lengthy and tick-box assessment and recording system"

that has developed since the Climbié report in 2003. Of course, he is right, but despite his exasperated pleas the tick-box culture has continued to spread its tentacles across social work and to sap the morale and professional judgment of the work force. Children in need do not require reams of paper produced by case reviews and do not benefit from a social worker who spends half their time strapped to their desk and sat in front of a computer. They also do not need social workers who sit in endless meetings.

Social workers do not want that either. As part of her social work taskforce report, Moira Gibb asked social workers to identify the factors that would most improve their professional lives and, by implication, their ability to do a professional child-focused job. They indentified: first, fewer targets; secondly, smaller case loads; thirdly, the abandonment of the integrated children's system; and, fourthly, more experienced social workers in their teams. Of course inspection, accountability and good record keeping are important, but it has been clear for too long that, as the ADCS says, social workers are

"hindered by the restrictions and regulations concerning assessment, risk management and performance indicators that do not focus on the best outcomes for the children and young people involved."

The social work taskforce found that those engaged in child protection work spent only a quarter of their time with the children they were there to protect. In short, the system has become too preoccupied with compliance, bureaucracy and defensiveness. As a consequence, we have a demoralised child protection work force who are depressed by negative media attention but without the confidence to break free and get on with doing what motivated them to take on such an admirable vocation in the first place. As one BASW member said:

"I feel exhausted and stressed for the majority of the time. I have only been in the child protection team for 3 months and have already decided that the work is too stressful and too risky—I am now actively looking for another job."

High staff turnover, high levels of sick leave, a high percentage of agency workers—the figure is as high as 50% in some children's services departments—and an increase in long-service leavers are all signs of a failing organisation. More worryingly, however, that puts the children who need protecting at a greater risk of harm. The culture needs to change once and for all.

In their response to the report on looked-after children that was produced during the previous Parliament by the Children, Schools and Families Committee, the Government clearly identified those problems and endorsed the report's view that high staff turnover, heavy work loads and administrative burdens lead to relationships that cannot flourish and social workers who do not feel empowered. They went on to express their commitment to changing the system so that social workers have

"more freedom to make decisions, more support and understanding, and less prescription and censure."

It was extremely gratifying that the Minister re-emphasised that the Government take those important issues seriously. I do not doubt their determination, but given that people have asked why that is yet to happen, there is a worry that if we are not careful the critical state of some children's services departments could lead to another round of regulations that result in even more prescription and red tape, which, as history has shown, would only make matters worse.

Eileen Munro is right that we need to reduce radically the amount of central prescription so that we help professionals to move from a compliance culture to a learning culture. We need to focus on the essential rules for effective multi-agency working that have been so successful in places such as Hackney and Ealing, as well as on the principles that underpin good practice elsewhere in our child protection system. We also need to focus on the quality of the help that is given by paying close attention to the views and experiences of those who receive the services and the professionals who help them. We will never completely eradicate the risks of harm to children, but by building a system with the child at its centre, rather than one that is driven by process, we can be in a much stronger position to anticipate, flush out and deal more effectively with the risks that still remain.

5.8 pm

Ann Coffey (Stockport) (Lab): I, too, welcome the publication of the review of the child protection system by Professor Eileen Munro. Her excellent report is thoughtful, well researched and based on extensive consultation. She makes the strong point that the responses to the terrible deaths of children in recent years have shaped the existing child protection system. She identifies four driving forces and says:

"These forces have come together to create a defensive system that puts so much emphasis on procedures and recording that insufficient attention is given to developing and supporting the expertise to work effectively with children, young people and families."

I agree with her conclusion that there should be a move from doing the right thing procedurally to doing the right thing for the child.

Professor Munro points out that her recommendations are not a quick fix but should be seen in the context of changing the system while putting in place the knowledge, skills and professional expertise to enable professionals confidently to exercise their judgment to do the right thing. Judging whether a child should be removed from their family because there is an unacceptable risk to their life or well-being might be necessary in a very complex family situation. It might follow months of concern, intervention and meetings with parents and other agencies. Assessing the risk to a child relies on many agencies working together to do the right thing. I absolutely agree that over-reliance on procedures does not help make such decision making effective. As she says, procedures can be followed in a way that is technically correct but so inexpert that the desired result is not achieved.

What is the right thing for the child? In my early years as a social worker I supervised a family—a single mother who was an alcoholic and who had a seven-year-old child. The bond was close. The problem was that the mother's drinking took the form of drinking bouts, often resulting in blackouts, during which she was unable to supervise the child in the home. The child had taken to wandering outside the house at night and his attendance at school was suffering, but there was no question of his suffering any direct harm from the mother. When sober, she provided good parenting and the child responded to it, but no amount of intervention or exhortation could stop her drinking and instead she retreated into a tissue of lies to hide the extent of her problem. I use that example to illustrate the complexity of judging what is the right thing to do, as levels of risk are not easy to assess and must be balanced against positives for the child in an existing relationship and the outcomes of any actions on their long-term welfare.

I was particularly interested in the report's chapter on sharing responsibility for the provision of early help, particularly early in the emergence of a problem. I entirely agree with Professor Munro that preventive services will do more to reduce abuse and neglect than reactive services and that the co-ordination of services is important to maximise efficiency.

As chair of the all-party group on runaway and missing children and adults, I would like to offer some comments on the child protection system in relation to children who are vulnerable to abuse and exploitation while missing from home or care. Sadly, many children and young people go missing from children's homes. For them, it has already been decided that they cannot be safeguarded and protected at home. We are their corporate parents and they are in our care, and I was pleased that the Minister referred in particular to our responsibilities as corporate parents.

More than 100,000 children run away overnight each year. Readers of the *Manchester Evening News* were stunned to read recently that there were 11,819 police reports of children going missing in Greater Manchester last year. Of those, 2,281 cases related to youngsters aged 11 or younger. Another shocking figure is that half of those cases related to children living in care, with more children disappearing from the 43 children's homes in Stockport than in the rest of Greater Manchester put together. We know that running away is an important indicator that things are not right in a child's life. One in five children who run away will be harmed and many will become involved in the things that worry parents and society the most—drugs, alcohol and falling prey to sexual predators. I pay tribute to the recent Barnardo's report, "Puppet on a String", which highlights those issues.

I welcome the Government's recent announcement of an action plan to tackle child sexual exploitation and think it is important that it focuses on both running away and child sexual exploitation, as all the research shows that the two issues go hand in hand. I will be interested to hear the results of the Child Exploitation and Online Protection Centre's current investigations on recent cases of sexual grooming. One of the problems is the collection and analysis of data and assessing the risk to children individually and in the wider community. I hope that the work being undertaken by CEOP will help to develop a risk assessment framework for incidents of children going missing that could form the basis of effective inter-agency work. Local safeguarding boards have an important role because they are in a unique position to monitor how effective local agencies are in addressing the problem.

When the Minister considers recommendation 6 in Professor Munro's report, I would like him to take on board the child protection issues in relation to runaway children. I firmly believe that if we can reduce the massive number of children and young people running away and going missing, we can reduce the number at risk from violence, drugs, alcohol, sexual exploitation and grooming.

5.14 pm

Craig Whittaker (Calder Valley) (Con): Thank you, Mr Deputy Speaker, for giving me the opportunity to contribute to the debate on this excellent review.

Strikingly, we knew as far back as 2009 that some social workers spent more than 80% of their time in front of paperwork, rather than out on the front line, face to face with children and families. Cameron's quotation:

> "Not everything that can be counted counts, and not everything that counts can be counted,"

published in 1963, has never been more apt than it is to our over-bureaucratic and compliance-ridden system. The focus on early intervention, also highlighted in the Allen, Field and Dame Clare Tickell reviews, shows the long-term benefits to the enrichment of families on the whole, as well as the massivly reduced burden in the cost to the state, and it can only highlight the need to turn that huge supertanker in a different direction.

It is time that we put social workers on the professional platform that they deserve. We need to develop a system in which child protection truly is a multi-agency business involving not only social workers but schools, police and health workers all finally working together—a system that removes constraints on local innovation and professional judgment. But let us not be under any illusions about the time that it will take to change mindsets and to implement the changes needed. The system has been so burdened for far too long.

I will home in on the role of the lead member for children's services in local authorities, a position that Professor Munro says should not be undermined. Having

[Craig Whittaker]

spent three years as lead member for children's services on Calderdale council, I believe that the lead member role needs to be looked at and enhanced through further guidance. I know only too well how brilliant a lead member is and how brilliant they are considered when they are out there batting for that extra £1 million in the budget, but the moment they start asking tricky or challenging questions they can almost see and feel the shutters closing down around them.

One good thing that the previous Government did introduce, just over two years ago, was the lead member's membership of the local safeguarding children's board, albeit on a limited basis as a participant observer. With that privilege, I could at least challenge partner agencies, and had it been introduced earlier I might have been able to use it as a tool to deep-dive issues even further.

Generally, however, partner agencies were not the only problem, because they chose to work traditionally in silos; it was also down to our directorate. The problem started at the top in Calderdale, which, like most authorities in the UK, has an educationist as its director of children's services. Educationists also take up most head of service roles. Educationists and social workers generally lack the professional knowledge and understanding of each other's roles, and without question there is professional snobbery between the two.

Just imagine, then, how it was for a lead member with only 30 years' retail and people management experience going into that lion's den. As one head of service once said to me, "With all due respect, you are only a shopkeeper." A tongue-in-cheek comment, I know, but the battle line was drawn.

The lead member is also generally part time and often from a totally different sector. They are the only councillor with legal responsibilities, but when things do not go as well as they should, as was the case for me in Calderdale, gaining access to information can be hugely cumbersome. The information is often non-existent, and frankly the lead member can hear those shutters going down around them.

Interestingly, Professor Munro mentions Klein's view on intuition, and with my managerial experience and intuition it became evident to me early on that we had a head of service who was not fit for purpose, an information service that was wholly inadequate, a children's service base budget that was under-resourced to the tune of £1.5 million, a work force with low morale and a high proportion of agency staff, core and initial assessments woefully behind on time scales, two serious case reviews in the pipeline and a children's trust in name only—and all that was just the headline stuff. When I challenged those responsible for the day-to-day running of CYP services, there were always reasoned responses and excuses, but that is often exactly what they were—excuses. It took three heads of service, three serious case reviews and more than two years before the appointment of a new director of children's services, who agreed to an independent review by PricewaterhouseCoopers, before we managed to get a truthful picture of how bad things were in Calderdale regarding safeguarding.

Professor Munro mentions the role of the lead member staying the same. I would like the Government to consider four key points, if I can get them in very quickly. First, the lead member, who is currently a participant observer, should be a full-time member of the local safeguarding children board. Secondly, I would like the Minister to consider the fact that there is no mandatory training for the lead member role. Training of sorts is available, but it is difficult to accommodate if they have a full-time job. Thirdly, will the Minister consider guidance on making the lead member role a four-year term for the sake of continuity? Calderdale is now on its fourth in three years.

Finally, may I ask the Minister to look at the leadership—

Mr Deputy Speaker (Mr Nigel Evans): Order. Three out of four is not bad.

5.20 pm

Meg Munn (Sheffield, Heeley) (Lab/Co-op): If the hon. Member for Calder Valley (Craig Whittaker) wants to intervene on me at an appropriate point, perhaps he can get his fourth point in.

I welcome this debate and this report. Child protection is an important issue that has been given too little attention, generally having periods of intense focus following the death or serious injury of a child or children. No one could disagree with the aims set out by Professor Munro, but I want to look at some issues that are perhaps more nuanced than the Minister set out in his speech.

Looking back, we have had investment in the past. From 1998, we had the Quality Protects programme, which made a big difference to social services; I speak from personal experience. More recent work done by the previous Government should be built on. Indeed, Professor Munro identifies the need to build on the firm foundations of reform created by the Social Work Taskforce and the Social Work Reform Board. Let us not reinvent the wheel where we do not need to.

Importantly, Professor Munro recognises the multi-agency nature of this field. There is a danger of other Government policies making child protection more difficult. I am concerned not only about the cuts but about the proposals for how things are to be done. The all-party child protection group, which I chair, and of which many members are present, will be carrying out an inquiry into the proposals on vetting and barring, and I hope that that is helpful. The next session is on Monday—a little advert there—and I hope to see many Members attending to look at this in detail.

We need to be aware of the importance of child protection for children in all settings. Looked-after children have been mentioned, and the residential sector is important. On health, what is going to happen as a result of the abolition of primary care trusts? The PCTs have played an essential role in local safeguarding because they can give an overview and they are able to get involved in the wider issues of what is happening in their local area. I fear that the proposals do not deal with ensuring proper, effective child protection policies for the future. I also have worries about the role of the police.

I have great concerns about education. I will not go into those in detail now, as I have raised them with the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb),

who was here earlier. Certain aspects of the Education Bill put children at risk, and the Government need to deal with that.

I am also concerned about the localism agenda. The recommendations in chapter 4 on accountability lead us to believe that there are clear tensions in this respect. We should be able to specify what needs to be done, and there should be ways of following best practice while ensuring some local flexibility. The Government need to address that properly.

I want to speak briefly about the recording of information and time scales. That debate has been conducted in a one-dimensional way. Poor IT systems have made life difficult. However, it is significant that every major inquiry into child deaths has identified two things at fault: poor information-sharing between different professions in contact with children and poor recording of information. Not only is good recording essential to enable effective continuity of support for children, sometimes over years or when somebody is on leave, but it is part of the process that social workers need to go through to reflect on a family's situation. The idea that the only work of a social worker is direct face-to-face contact is false.

I echo the concerns of my hon. Friend the Member for Chesterfield (Toby Perkins) about moving to the use of all localised forms. Frankly, that would take us back round the circle. Thirty years ago when I started in social work, every local authority used a different form and a different process. Not only did that involve lots of people writing those forms and producing guidance, but it meant that when people moved authorities, it took even experienced staff a long time to understand the systems and procedures. I know that the Minister is genuinely committed to this agenda, and I commend him for that, but I urge him to consider a middle way.

I also urge the Minister to consider a middle way for serious case reviews. He and I have disagreed on the publication of serious case reviews in full, and I will not rehearse those arguments now because I do not have time. However, I think that he should have held back, carried out a review, and put in place a new system. In my experience, not only are full case reviews poor learning tools, but sometimes their publication means that people do not come forward. There was a well-publicised case in Sheffield only a year ago of serious intergenerational abuse. The people in that family would not have come forward if they had thought that their information would be put into the public domain.

This is an important review in many ways, and we need to go into it in more detail. I ask the Minister to give more detail on how a wider group of people beyond his implementation group can have an input into the recommendations to ensure that we get the best possible things out of the review for the benefit of children, social workers and all who work in this important area.

5.26 pm

John Hemming (Birmingham, Yardley) (LD): We now have about three minutes if we are to get everybody in. When do we have until? Is it not until 6? *[Interruption.]* Okay, I will keep going and stick to time. If I have six minutes, I will be quite happy. I want everybody to have the opportunity to speak in such an important debate. I do not mind shortening my speech to make sure that other hon. Members can speak, but there are certain things that I must say.

I disagree with the Government's objective of increasing the number of adoptions. Already in England, roughly twice as many children under five who leave care are adopted than return to their parents. In fact, the number returning to their parents went down last year. Of the 4,700 under-fives who left care in the year to 31 March 2010, 880 went to their parents and 2,000 were adopted. In Scotland, the reverse is true and the majority return to their parents. I define care as compulsory care and do not include all the section 20 children who go into care voluntarily. It is important to consider those issues.

Checks and balances are critical. I very much support the Munro report and think that the approach of being less bureaucratic is important. Sadly, I do not support the family justice review. The difficulty is that if one is to look at the process of dealing with a child who goes into the care system, one must consider all the aspects. Even if one considers just the local authority costs and the Children and Family Court Advisory and Support Service costs for a child who is taken into care at birth and then adopted, one sees that half the costs are for foster care and half are legal costs, fees for experts and such things. If one is to look at how that process can be managed to work effectively, one has to consider both the judicial processes with its checks and balances and the decision making in the first instance. The Munro inquiry is about the process by which decisions are made and the process by which those decisions are given quality control. In my view, it is the quality control on the decisions that fails. That is why there are a lot of odd decisions and some very strange outcomes.

I thank the Minister for the efforts of his statisticians in producing a detailed analysis of the SSDA903 return. I have a copy here and anybody is welcome to see it. Obviously it is available under freedom of information. That analysis demonstrates what is happening to the children. Our priority should be what happens to the children and what is best for the children.

The problem when we get something substantially wrong, as I think we are, and when the practice is substantially wrong for a number of years, is that people continue to practice in the same way. Only many years later when the children grow up and wonder, "Why was that done to me?", do things get reviewed. That happened in respect of the children who were sent around the world, for instance to Canada and Australia. That decision is now recognised as wrong, but at the time it was thought to be right. A similar situation is occurring in respect of about 1,000 children a year—that figure looks right when the figures in England are compared with those in Scotland—in cases of forced adoptions in which consent is dispensed with. That problem is of a reasonable order of magnitude and, in the end, it comes down to the need for individual case studies.

Another area in which the Government are missing out is in studying what happens to children who are adopted. In many cases the adoption is disrupted, so about a quarter of those children return to the care system and some are then adopted again, causing them additional trauma. If we are to assess the effect of adoption decisions, we have to include the effect on children who come back into care because they have

[John Hemming]

had reactive attachment disorder, perhaps as a result of being taken into care too early and by overloaded foster carers. A lot of issues are not being looked at, and we need longitudinal studies of individual cases.

Many Members want to speak, and I have emphasised the points about adoptions that I keep making. The figures are there, and I thank the Minister for getting them, but he should take them into account.

5.31 pm

Bill Esterson (Sefton Central) (Lab): I add my welcome for the work of Professor Munro and the recommendations in her report. The huge challenge for Ministers is how to put them into practice. I welcome the Minister's announcement of the group that will be set up, and the expertise of the people who will be on it. I ask him to consider including a member of the Opposition in that group—other than a Labour councillor. He knows what I mean by that.

I want to speak about my concerns about the speed of intervention and the impact of neglect that does not hit the headlines through serious case reviews. I should mention one of my interests in the matter—I am an adoptive parent. When I trained as an adoptive parent, we were presented with evidence that over an extended period, neglect is often, although not always, far more damaging to a child or young person than physical or sexual abuse. That is why it is so important to consider neglect.

I will quote the comments of a senior NHS professional, who writes:

> "Child protection's preventative role in protecting vulnerable children/young people from neglectful behaviours is hindered and hampered by a lack of clarity and legislative support to recognise the impact of neglect on a child or young person until it reaches a threshold for 'significant harm'. This results in an inability to respond in a timely manner until it is too late to prevent harm from occurring.
>
> Practitioner tools and chronologies to identify and recognise these neglectful behaviours do not provide the requisite evidence base to support care proceedings or child in need packages that put the child in focus."

She continues:

> "Legislation needs to provide clarity of definition and recognise the impact of neglectful behaviours. The practitioners need to be provided with definitions which are not retrospective; in other words the legal system needs to recognise neglectful behaviours as significant before 'significant harm' has been caused to a child or young person, by which time it is too late."

The Minister spoke about the importance of trying to keep families together and used the phrase "fostering families". It is important that that is given every chance, but I am aware—this is the point made by that health professional—that in far too many cases, the balance is skewed too far in that direction. It can take too long, and evidence of potential neglect is ignored. Early recognition, and action on it, is essential. The evidence that I have seen, of which other Members will be well aware, shows that the long-term damage of extended neglect is incredibly bad for people psychologically and for their mental health long into adulthood.

To come back to the comments that one or two hon. Members have made, those in foster care are not universally treated as one of the family, because there are too many barriers. Too many rules prevent foster carers from getting close to children for that to happen meaningfully in reality.

I welcome the Minister's comments on learning from care leavers—that needs to continue. On the issue of neglect, my hon. Friend the Member for Sheffield, Heeley (Meg Munn) said that striking the right balance between protecting the vulnerable child and the rights of the individual is incredibly important. From the experience of constituents who have spoken to me, far too often the rights of the individual parent are given greater prominence than the needs and rights of the child.

Because I am an adoptive parent, I shall speak briefly in the time I have left about adoption. I welcome the comments in the report on reducing the delay in getting children through to adoption, but there are serious blockages in finding families. Measures for finding good families in adoption and fostering are very important, as is providing long-term support. There is a lack of support for foster carers and a lack of long-term support for adopters. I hope that the Minister will take that point on board.

The delays in the courts cause great concern to professionals and families. The courts are still far too slow. I am aware of a case in which some children from a large family were adopted and some went into long-term foster care. One child ended up back with the mother because the court refused to look at the evidence from social services, which had originally issued the order for the family to go into care. The system is quite unworkable, because the neglect remained after the child returned.

I welcome the report. This is a long-term project, and I hope that Members on both sides of the House come together to support it.

5.37 pm

Jessica Lee (Erewash) (Con): I am pleased to speak in this extremely important debate on child protection. I find it quite startling that this is the first debate on child protection that has been instigated by a Government, as the Minister told us in his opening remarks. Given the difficulties and concerns over child protection, which have been ongoing for many years, I find that worrying. This might be the first such debate instigated by a Government, but I hope that it will not be the last.

I should declare an interest, because I worked as a family lawyer for about 10 years, specialising in child protection and adoption. I should also say at the outset that I welcome the conclusions in Professor Munro's report. The point has already been made, but it is a quality report. It is extremely well set out and contains many helpful conclusions. I hope the Government implement many of its recommendations.

Over my years of working for and representing parties in care proceedings—that includes social workers and parents, or children, through their guardians—I have seen dozens or even hundreds of extremely dedicated, hard-working social workers, who try their best in very difficult circumstances to protect children. In my view, that is front-line work. It can be a dangerous job. Social workers must sometimes go into people's homes when they do not know what is on the other side of the front door. They could find a parent under the influence of alcohol or find themselves in a violent situation. Children might need to be removed.

I bear that in mind, which is why I hope that following the conclusions of the Munro report, we focus on empowering those social workers to exercise their professional judgment as best they can, without being hampered by other pressures in their day-to-day jobs. I would not like to make those decisions—they can be life-changing decisions—on whether a child should be removed, whether one should undertake a further assessment of a parent, or whether all has been done but it is time to draw a line and look for an adoptive placement for a family.

The Centre for Social Justice has produced some figures that remind us that although care leavers form only 1% of the population, they are four to five times more likely to have mental health issues; a third of homeless people have been care leavers; 30% of children in custody and 23% of the adult prison population have been in care; and more than 20% of women who leave care between the ages of 16 and 19 become mothers within a year, compared to just 5% of the general population. These are troubling figures and, as we seek to support social workers, we must remember that they are trying to achieve improved outcomes for all the young people in their care. I know that all hon. Members will be committed to improving those figures.

I pay tribute to the contribution by the hon. Member for Sefton Central (Bill Esterson), who mentioned the important issue of neglect. There are different sorts of abuse that children can suffer—physical, sexual and emotional, as well as neglect—and more than 19,300 children are under child protection plans for neglect. That is a very high figure, and that kind of abuse can have long-term effects that are just as damaging as other forms of abuse. That is why the attempt to support early intervention work is so important. It is just those families in which neglect persists for several years, and who perhaps fall in and out of the attention of social work departments, who need our help to be able to move on.

Over the years I have represented local authorities, children and parents in some very upsetting cases. I do not wish to be over-dramatic, but some children arrive in foster care so thirsty that they drink out of the lavatory bowl. Some hide food in their room in case the food never appears again. Some have been shaken so badly that they are brain-damaged for life. I give these examples as a reminder of the pressures and challenges that social work teams have to face every day. Those examples are not from a Dickensian story set more than 100 years ago: they are happening in our country in 2011. We must all work harder to stop such abuse taking place.

Time is against me, but I shall conclude with my key point. We must take this opportunity to try to move forward with the Munro conclusions, empower social workers to make their professional judgments, and reduce bureaucracy.

5.43 pm

Andrea Leadsom (South Northamptonshire) (Con): The greatest risk of dying a violent death is when you are less than one year old. And the greatest risk comes not from strangers, but from those who are closest to you in your own home—those who should love you and take care of you. Social workers are in the front line of the battle to protect babies and children. The importance of caring, motivated and well-trained social workers just cannot be overestimated. Frankly, if we do not recognise the massive potential of a good social worker to turn around life chances for babies and children in vulnerable families, we shall get the society we deserve.

I congratulate Professor Munro on her comprehensive report on what is generally recognised to be a difficult and troubled area. I want to focus today on recommendations 10 to 13 of that report, because I have spent the last 10 years of my life developing a passion for and a detailed understanding of why she may have made those points.

Recommendation 10 states:

"Government should place a duty on local authorities and statutory partners to provide sufficient early intervention services for those children and young people who do not meet child protection thresholds".

That, to me, is the key recommendation, and I can encapsulate why in the shortest of slogans: prevention is kinder and cheaper than cure. Supporting vulnerable families and enabling them to form a secure bond with their babies in the first two years of life has profound consequences for society. Can anyone here imagine what the relationship is like between a mother and her baby if she would allow her boyfriend to stub out cigarettes on her little boy, as happened in the case of baby Peter? No, none of us can quite get our heads around what on earth possessed a mother to so violate the nurturing role of parent and carer as to allow her own need for a boyfriend to overrule the tigerish instinct of a mother. For my own part, I am quite sure I would kill rather than let anyone harm my children like that.

What makes one mother or parent neglect, abuse or even kill her own child, while another would kill to protect her child, is simple: the quality of the attachment between the carer and the child. This attachment begins during pregnancy, and its development is most critical during the first two years of a baby's life. We could call it the Harry Potter syndrome. Harry was loved and nurtured by his parents until Lord Voldemort murdered them when Harry was two years old. He then suffered unspeakable cruelty and neglect at the hands of his uncle, aunt and cousin, but through it all he kept his unshakable sense of self-worth, personal resilience and his ability to make friends and form strong relationships. Those qualities are the reward for secure early attachment between baby and adult carer.

That is not just an entertaining story; the scientific evidence is overwhelming. When a baby is born his brain is significantly underdeveloped, but between six months and 18 months, as a result of the stimulation of a loving relationship, of peek-a-boo games and silly baby-language chatter with mum, the brain puts on a massive growth spurt and the central frontal cortex—the part of the brain that enables empathy and deals with social interaction—starts to develop at an astonishing rate. Conversely, the baby who is neglected, abused or treated inconsistently by uncaring adults will fail to develop a healthy frontal cortex. His ability in later life to form strong relationships with friends, a partner, work colleagues and so on will be severely impaired—and for a girl baby who does not form a secure bond, the incredible tragedy is that without help, she will struggle to form a bond with her own babies in later life, and so the cycle of misery is perpetuated through the generations.

[Andrea Leadsom]

It is at the critical end of the spectrum of poor attachment that the social worker is the key to the outcome for the child and the family. Where a baby is severely neglected or abused, the development of the frontal cortex may simply never happen. Babies left to scream for hours at a time suffer other problems as a result of having constantly raised levels of the stress hormone. Those babies develop a tendency towards high-risk-taking behaviour, drugs, violence and self-harming. Our prisons, streets and psychiatric hospitals are full of the evidence of poor early attachment. It is in these cases—the most difficult to resolve—that social workers often represent the only chance of survival for the family. However, their challenges are manifold. How can they identify those particular cases? How can they tell if the problems are temporary or life-threatening, and how can they be supported in what is an almost impossible task?

I put it to my hon. Friend the Minister that providing parent-infant psychotherapy will dramatically change the work load of social workers and the amount of support available for these vulnerable families before those problems happen. I wanted to give you a perfect case study, Mr Deputy Speaker, but time does not permit, so you will have to take my word for it that the Oxford Parent Infant Project, a charity that I have chaired for the past 10 years, provides an enormous amount of life-saving support for families in Oxfordshire by working with social workers to reduce their work load, to provide them with the support they need and to help these vulnerable children. OXPIP also provides training in the crucial understanding of parent-infant relationships. What is so sad, to my mind, is that for many of those who attend, it is a "road to Damascus" moment. Previously they had no understanding of brain development, the critical importance of early attachment and the possible interventions.

I would like to leave my hon. Friend with these two thoughts: first, we need to provide parent-infant psychotherapy across children's centres in the UK, and secondly, we need to improve significantly the quality of education not just for social workers but for everyone who works with babies.

5.49 pm

Mark Pawsey (Rugby) (Con): I want to make just one brief but important point that has arisen as a consequence of representations made to me by constituents about the regulation of the social work profession.

The regulator of social work has been the General Social Care Council, which is charged with issuing and enforcing standards of professional conduct and practice. For the past few years the council has been located in my constituency of Rugby, having relocated from London. However, last July the council learnt that it was on the list of non-departmental bodies to be disbanded by the Government. Understandably, the Government wish to reduce the cost of bureaucracy and regulation. Early advice from the Department of Health was that there was no compelling reason to retain the council, with a potentially significant benefit arising from social workers being placed on a footing similar to that of professional workers and regulation being transferred to the Health Professions Council, a body that will regulate all professionals, including those more generally involved in the delivery of health care. There will therefore be a transfer of functions between the bodies.

One consequence of that is that offices in Rugby will be closed, involving a certain number of redundancies, although the date is not certain. Since the announcement, I have met both management and members of staff at the General Social Care Council. Staff have concerns, principally that there will no longer be a body specifically dedicated to the regulation of professionals in the sector, and that the focus that currently exists may be lost. The Munro report draws attention to the important role of the social work profession in ensuring that all children are safe. Specifically, recommendations 11 and 12 reiterate the need for the robust supervision and training of social workers, supported nationally by a regulator. It is therefore crucial that the HPC should continue to monitor the ongoing professional development of social workers.

We have heard much in today's debate about the value and importance of the role played by the social work profession in child protection. I hope that in summing up, the Minister can provide assurances that, in the interests of all the vulnerable people whom they support, there will continue to be proper and effective regulation of social work professionals.

5.52 pm

Mr Aidan Burley (Cannock Chase) (Con): Like the previous speaker, I do not intend to make a long speech. I rise to make just one point to the Minister before allowing him the time he needs to sum up the debate.

I welcome the Munro report and its recommendations. Everybody, on both sides of the House, would agree that it is important for the best interests of the child to be paramount in all child protection decisions. However, a number of constituents have raised concerns with me about the term "emotional abuse", and how it is defined and interpreted by social services. I note that none of the recommendations of the Munro report relates to the term "emotional abuse" or its definition. We would all agree with the need for children to be taken away from such abuse, but some parents who have come to my surgeries are concerned that in some cases social services are being over-zealous or taking quite extreme action based on a rather loose interpretation of the term "emotional abuse". In one case highlighted to me, social services removed a child from her parents because they felt that she had not been made aware of her father, the evidence for this being that there were no photos in the house. That seems to be based on a loose definition of "emotional abuse". As part of the Minister's review of child protection services, will he consider looking again at the definition of the term, to ensure that it is applied correctly and accurately?

5.53 pm

Tim Loughton: I did not expect there to be time for a proper summing up, but as there is, I will make the most of it.

This has been an excellent debate—well measured and exceedingly well informed—with the House at its best, and certainly its most earnest. Indeed, the implementation working group on the Munro report could have been formed of the hon. Members in the Chamber who have contributed today. We have two

adoptive fathers who revealed themselves as such in their contributions. We also have two family law barristers, one of whom—my hon. Friend the Member for Crewe and Nantwich (Mr Timpson)—grew up with 90 foster children, because of the amazing contribution of his parents, as well as having adopted siblings.

We have two former social workers, who also happen to be the chairs of the all-party parliamentary groups on runaway and missing children and adults, and on child protection. They have always brought enormous expertise to the House on those matters. We have crossed swords, and also often agreed, in many Committees on many pieces of legislation over the years. We also have one former lead member for children's services in a council, even if he was "only a shopkeeper". Of course, Churchill said that we were a nation of shopkeepers, so my hon. Friend should not undersell himself in that way. My only regret is that we will never hear his fourth point. We know about the missing fourth man—

Craig Whittaker: Will the Minister give way?

Tim Loughton: I would be delighted to hear my hon. Friend's fourth point.

Craig Whittaker: My fourth point was about the chairmanship of the local safeguarding children boards. There are still 23 authorities in the UK that have the director of children's services as the chair of their board. Will the Minister ensure that in future the role of the chair is independent?

Tim Loughton: What an excellent fourth point that was! It was well worth waiting for. When we were in opposition we said that the chairs of local safeguarding children boards should be independent. I think that the boards should include lead members and perhaps directors of children's services, in whatever role, but they should be independently chaired. If LSCBs are to make progress and have more teeth and more importance, that will be an even more important factor in the future. I am glad that my hon. Friend managed to get his fourth point in.

So, we have one shopkeeper turned lead member of children's services. We also have one head of a very successful children's charity who has enormous expertise in attachment. We have a Member who I think used his first Adjournment debate to discuss adoption, including some cases in his constituency. We have another new Member who has taken up the cudgels on behalf of constituents who are concerned about abuses of adoption. And we have one conspiracy theorist. I pay tribute to my hon. Friend the Member for Birmingham, Yardley (John Hemming); we disagree on many aspects of this issue, but he is assiduous and he rightly acknowledged that we had given him as much information as possible. We disagree on the interpretation of that information and we will continue to do so, but he has certainly got his teeth into this subject.

We have had an excellent debate. I do not have time to refer to every point that has been raised, but the personal experience that has been brought to bear today does the House credit. There has been overwhelming support for the principle, the thrust and the exhaustive nature of the Munro review. The hon. Member for Stockport (Ann Coffey) said that it was well researched and the result of extensive consultation. She also said that too much of what social workers have to do may be technically correct but inexpert in its findings.

The hon. Member for Chesterfield (Toby Perkins) made some excellent points. I thank him for his welcome for the report, and we look forward to working with Members on both sides of the House on carrying forward its recommendations. This is an evidence-based review, and I want to see Government policy guided by evidence, and by things that work and actually improve the outcomes for children at the sharp end. My hon. Friend the Member for Crewe and Nantwich pointed out that this is not rocket science, and asked why it had not been done before.

The hon. Member for Sheffield, Heeley (Meg Munn) mentioned the very good work of the social work taskforce and the social work reform board. We acknowledge that that work was undertaken under the previous Government. When we set up the Munro review, the first thing I said was that it was not intended to take the place of or to rubbish the work that had gone before; it was to complement that work. The first person Eileen Munro went to see was Moira Gibb, the head of the reform board. Members of the reform board have worked on the review and are now working in the implementation group.

The hon. Member for Sefton Central (Bill Esterson) mentioned the mixed destinations of siblings who are taken into adoption or care. That is a really important point, and I want to do a lot more work on it. I have heard too many horrific stories of families being broken up. At a time when they cannot rely on the stability and familiarity of their birth parents, it is crucial that they should have the familiarity of contact with their siblings when they desperately need some kind of anchor. My hon. Friend the Member for Erewash (Jessica Lee) has had great experience of children in the care system, and she told the House that the incidence of mental health issues and homelessness was absolutely appalling.

I thank everyone in the Chamber for an excellent debate. We are absolutely determined to carry forward the recommendations of the Munro review. Today's debate will help to inform our response, and I look forward to receiving the help of all hon. Members to ensure that we get this right. I am up for that challenge, as are the House and the Government, and we are going to make this work.

Question put and agreed to.

Resolved,

That this House has considered the Munro Report and its implications for child protection.

Cannabis and Psychosis (Young People)

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

6 pm

Mr Charles Walker (Broxbourne) (Con): Thank you, Mr Deputy Speaker, for calling me to speak in this evening's Adjournment debate. It is appropriate that my debate follows an informative debate on child protection.

Up and down the country, too many families are suffering the torture of watching their children squander their futures—bright children who have so much to live for ending up with so little. All too often, that is brought about by an addiction to skunk cannabis—a drug that is ruining young lives.

I am not a clinician or a scientist, so I am not going to give a hugely exhaustive overview of the chemical content of skunk cannabis. All I would say is that the THC—Tetrahydrocannabinol—content of skunk cannabis is now six times higher than it was in the cannabis of the '70s and '80s: 18% compared to 3%. The CBD—Cannabidiol— content of skunk cannabis, which is the bit of the chemical that counteracted the psychotic effects of THC, has now been removed from the drug. What we see is young people suffering as a consequence.

It is believed that skunk cannabis works by releasing dopamine into the brain, which creates a sense of euphoria, but it also has many side-effects—hallucinations, delusions, paranoia, attention impairment and emotional impairment. The problem is that young brains do not properly form in adolescence; they do not do so until they are in their early 20s. What the drug does in its simplest form is to open up gates in the brain that may never close again, or, if they do close, only partially.

If a youngster smokes skunk cannabis, at best their academic performance will be retarded. So many teachers have told me about young, bright children getting to a certain age and then their academic performance just goes backwards—not slowly, but rapidly, as they go from being at the top of the class, to the middle, to the bottom and to not turning up in class at all. That is a tragedy; a young mind is a terrible thing to waste.

Too many young people suffer severe psychotic effects linked to skunk cannabis. One in four of us carry a faulty gene for dopamine transmission. If a youngster has that gene and smokes skunk cannabis, they are six times more likely to get a psychotic illness than the average youngster out there. If both parents give them two of these genes, they are 10 times more likely to suffer a psychotic incident and suffer long-term brain damage.

With your indulgence, Mr Deputy Speaker, I would like to read a few tragic stories. In a sense, I am a voice for all those parents who cannot be here tonight. Here is the first:

"Our son was a normal, bright, outgoing, sociable boy and good at sports. He started taking cannabis at about 15 years old. He experienced a dramatic change in personality at 23, which resulted in a major psychotic episode. In recent years, he has been under psychiatric care and on antipsychotic medication, and has not been able to keep down a steady job. He has been sectioned twice and remains under a community treatment order. His continuous use of cannabis has destroyed a fine young man who now has no ambition or awareness of responsibility. However, he is beginning to accept that the cannabis habit will lead to more severe mental health problems. It is hugely distressing to watch this lovely boy turn into a complete stranger."

Another parent wrote:

"George was our only son to turn to drugs. His addictions began early—tobacco in junior school, cannabis in senior. At first we were in the dark but George's hand was forced by events and we were informed. He was warned. However, nothing stopped him. His life and 2 marriages were ruined. The French wife aborted their 2 babies—she could not cope with George in tow—the dangers, the poverty, the filth, the dark, loving, violent, mesmeric personality he had become. George asked me to drive him to the clinic and wept all the way in the car. I tried to comfort him but I ached for my unborn grandchildren. He knocked me down a few times—he always apologised—George was such a gentleman. He spent 2 years in a mental hospital. He was very schizophrenic by now."

Sadly, George is now dead.

Let me read just two more stories to the House. Here is the first:

"Michael became noticeably unwell aged 16 in February 2003 whilst on a family holiday. I found some cannabis in his room. This was a shock as Michael didn't even drink alcohol as far as I was aware. His mood changes were almost immediate. Laughing one minute, crying the next. He spent all day in bed and had no energy, no motivation. By December 2003, Michael was sectioned under the Mental Health Act. It was the worst day of my life—he cried for his parents and had to be held down. He just screamed—it was heart-rending. After being there for 3 months, he was discharged. I thought this was the end, it was unfortunately the beginning of a road that I would not wish on my worst enemy. It is like Russian Roulette who becomes psychotic."

Nine years later, the torture continues for that family.

Here is the final story:

"We were a normal, happy, busy family with four children until our second child, 16 ½ became involved with a new group of friends and started taking cannabis. Within a very short space of time, our happy, funny, healthy son turned into a screaming, paranoid, unhappy young man. He refused to go to college, worked only occasionally, and became a violent thug. When confronted, he would turn on us both physically and verbally, on one occasion breaking his father's ribs because his father had intervened when he was threatening me. He would kick doors in, smash glass panels, destroy washing baskets, crockery, ornaments, etc. Our lives became a living hell. He has been clean from cannabis for a year now and is gradually rebuilding his life. He still has flashes of paranoia, has no qualifications and will always have to fight to overcome his criminal convictions."

Those are harrowing stories, and they have been repeated thousands of times across the country. Child and adolescent mental health services across the country are dealing with thousands of youngsters and adolescents who are suffering from severe psychotic illnesses, and there is a causal link with skunk cannabis.

For the past decade we have talked about harm reduction, and we have an organisation called FRANK that leads the educational process on drugs, but harm reduction is not enough. There is no safe amount of skunk cannabis that a youngster can smoke. I do not condone drinking, but a youngster can have a glass of wine or a bottle of beer and suffer little ill effect, although I would not recommend that young people do it. Taking skunk cannabis is like holding a loaded revolver to your head and playing Russian roulette. You do not know whether you have the gene, and you do not know when the gun will fire the bullet. Some people who become addicted to skunk cannabis end up with such severe psychoses that they take their own lives. It would be interesting to know from coroners how many young people who have committed suicide recently were addicted to skunk cannabis.

Jim Shannon (Strangford) (DUP): I commend the hon. Gentleman for raising a matter that could well justify a full debate here or in Westminster Hall. In Northern Ireland, we have seen a rash of suicides as a result of this very drug. Does the hon. Gentleman believe that the laws on drugs should be tightened? I ask because what is happening in his constituency is happening in mine, and throughout the United Kingdom.

Mr Walker: I am very interested by what the hon. Gentleman says, but this evening's debate is not about classification. A Health Minister will respond to it. However, classification might be a subject for another debate here, and if the hon. Gentleman tables a motion for such a debate I shall certainly support him.

For many young people, smoking skunk cannabis is like holding a loaded gun to their heads. It might not kill them—they may continue to have a life—but if they suffer from severe psychosis or schizophrenia, it will not be much of a life. It might be just an existence.

The Government need to get to grips with this, but the problem is that law makers and the clinicians who advise them view cannabis through the prism of their own experiences in the 1970s and 1980s, and, as I said earlier, things have moved on since then. The drug with which we are dealing now is highly toxic and highly dangerous. We must talk not about harm reduction, but about harm prevention.

We are responsible adults. I have had enough of the current trend of everyone trying to make adults children's best friends. I am not my children's best friend; I am their parent—I am their father and I must guide them and have their interests at heart. That is the duty of adults. We must not abrogate responsibility. We have to make young people aware of the risks they run if they smoke skunk cannabis.

I have an admission to make here tonight. I was the beneficiary of very good drugs education at the age of 14 and 15. I was educated in the mid-'80s. I have not lived a blameless life. There are things I have done in my past that I am ashamed of and I wish I had not done, but, as the Prime Minister said, everyone is entitled to a past. There were many drugs, but the one drug I really did not touch was LSD, because I was told that if we take LSD just once, we can have a bad trip and that can be the end; we may never return from that experience—the gate in our brain that opens up may never close. If we are lucky enough in our youth to survive using it intact as a whole person, we might in our mid-40s—as I am now—be driving our children back from football practice and suddenly start hallucinating again. That terrified me. The idea that I could lose my brain and my future terrified me, and ensured that at a time when LSD was rife in London I never—ever—touched it.

Drug education works, but we need to educate the educators. They need to be aware of the research that shows a strong causal link between skunk cannabis, psychosis and schizophrenia. As I have said, our health trusts are full of young people suffering the consequences. Families are being destroyed.

I will conclude by saying just a few more words. In an ideal world—let us have lofty ambition and strive for an ideal world—I do not want any youngster to take drugs. It is not a good thing to do; it is not good for their health, their future or their prospects. I will just say this, however: it is a lot easier to repair a septum in one's nose than to repair a brain. Once our brain is gone, often the best pharmaceutical drugs in the world will not bring it back again—that is it. I have talked to dozens of parents across the country who are facing up to the fact that their children—the children they love, and brought into the world and nurtured—now have no future but simply an existence to look forward to. I do not think that is good enough, and I do not want to settle for it.

So here is my call to action for the Government: please take this matter seriously. Skunk cannabis has changed over the past 30 years. It is a major public health risk. It is robbing thousands of people of an opportunity to live fulfilled lives. I have worked with the Minister, and she has been fabulous up to this point, and I am sure she will continue her efforts to get this topic higher up the Department's agenda.

Finally, I want to pay tribute to my enormously good friend Mary Brett, a former teacher who has worked for decades in the interests of young people and their welfare.

6.14 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): I am grateful to my hon. Friend the Member for Broxbourne (Mr Walker) for raising an issue that is not only important, but seems to be attracting more attention in recent years. It was a pleasure to meet him and representatives of Cannabis Skunk Support, Mary Brett and Jeremy Edwards. In part, this greater attention is down to my hon. Friend's work and that of the all-party groups on cannabis and children and on mental health.

I pay particular tribute to my hon. Friend because although he is always passionate, his passion for this issue shone through in his eloquent and, at times, moving speech. This issue affects us all. We have been young ourselves and he was very open about his personal experience. Many of us are parents and our children are growing up in an increasingly complicated world, and the problem cannot be ignored.

Cannabis is the most commonly used drug in England today, and its use is particularly common among younger people. One of the big problems is that of perception. Many people see cannabis as benign, harmless, a throwback to the '60s—I am showing my age—'70s or '80s, or a source of artistic inspiration, particularly when compared with other, harder drugs. That is a very dangerous misconception these days. For a start, when people talk about the cannabis smoked 50 years ago, they are referring to something very different from that which we see on the streets today.

As my hon. Friend mentioned, the most common form of cannabis used today is skunk, which is, on average, about four times stronger than herbal cannabis, the type with which some in this House might be familiar. It does not take a leap of faith to understand that regularly using cannabis of this strength could be very harmful indeed. It could result in dependence, for example, or in the development of serious mental health side effects. Those can be both short and long term, and can be devastating for anyone, including children and young people, causing a host of problems, including family breakdown and debt, and the sort of tragic stories that we heard about from my hon. Friend.

[Anne Milton]

Questions still do exist about just how strong the link is between cannabis use and mental health problems, but there is without doubt a link—that much is certain. Using cannabis can lead to serious problems, such as psychotic episodes and other mental health issues. In the case of young people, whose brains are still growing and developing, that is a particular cause for concern. Any damage caused then could affect them for the rest of their lives. The fact is that the best way to prevent damage like that is to avoid cannabis in the first place, but we are not stupid and we know that many people, both young and old, will be put in situations where cannabis is offered to them, so we need to take some very clear action.

The drug strategy that we published in December 2010 outlined action that we will take to prevent and reduce the demand for drugs, by establishing a "whole life" approach to the problem. That involves breaking the intergenerational paths to dependency by supporting vulnerable families; providing good quality education and advice so that young people and their parents are provided with credible information actively to resist substance misuse; and, of course, intervening early with young people and young adults. My hon. Friend mentioned the need to educate the educators, and it is important that those giving support get continued support in their work.

The latest data show that almost 9% of 11 to 15-year-olds reported taking cannabis in the past year. Although that is a long-term decrease, it is still too many. Those data show us two things: that the situation is improving and that drug use is by no means normal behaviour among young people. That is an important fact for young people to take on board. The Department for Education is taking action to maintain that decline. A review is going on into personal, social, health and economic education, which includes drug education, to determine how schools can be better supported. Of course, schools are not the only setting in which we can undertake this sort of educational programme. I will also be meeting the Minister of State, Department for Education, my hon. Friend the Member for Brent Central (Sarah Teather) to discuss these issues soon.

My hon. Friend the Member for Broxbourne also mentioned FRANK. Our drug strategy highlights the important role that FRANK has to play in providing information and advice, both to young people and to their parents or guardians. A review of how FRANK is used showed that the vast majority of young people preferred accessing FRANK online. Based on that review, as I recently discussed with my hon. Friend, we are in the process of improving the FRANK service, making it easier to use the website. We are also updating the tone and style of its language, so that it is more relevant to young people and provides them with the information and advice they need in a way that is accessible and provides clear messages.

We are also taking other steps to help people who already have a problem. In March, the National Institute for Health and Clinical Excellence produced guidance on the assessment and management of people with psychosis and co-existing substance misuse. It will help providers and commissioners to ensure that services are appropriate for young people with psychosis and substance misuse problems. We recently published a mental health strategy to improve services for those who are affected by mental health problems. The strategy focuses on the importance of improving the quality and productivity of services and on making efficiency savings that can be reinvested back into the service to improve it still further.

Over the next five years, we will be putting around £400 million into psychological therapies in all parts of England for young people who are dependent on drugs. Those therapies will include talking therapies, supported where appropriate by family interventions. This issue affects not only individuals but whole families. The strategy will also address issues such as mental ill health and homelessness. Currently, 24,000 young people access specialist support for drug or alcohol misuse and the figures are good—97% of them are seen within three weeks of referral. However, we have to ensure that the quality of support stays high, so that every young person who needs help is given what they need. We will continue to improve the quality of that support and to make sure that it responds to the right people at the right time.

The letters my hon. Friend read out were moving and evocative. They demonstrate the human story behind this problem. Child and adolescent mental health services have a part to play, but we need to do a great deal more. We need to get the prevention right and we need to get support in when those preventive measures have not helped. He talked about moving from harm reduction to harm prevention and I could not agree more. We need to ensure that young people grow up with the skills they need to make what are sometimes difficult decisions about the choices they face. Addressing legalisation is not enough; we all know about the legal highs. What we need is for young people to make good decisions about the choices they face. I commend my hon. Friend and those who have written to him on sharing those experiences with us today.

Our position on cannabis use is clear: we will continue to focus on young people because if they are protected right from the start, they will be safer throughout their lives. Not only will their mental health be safeguarded, but their exam results and social development will benefit, their future options will remain open and their chances will remain bright. It is terrible to hear about young people who are struck down by poor decisions that are often made through ignorance. I am sure that position is shared by my hon. Friend and all hon. Members present. Let me assure him that his call for action is being answered in full. I was pleased to hear his complimentary remarks about me so far—I noticed the slight equivocation—and I assure him that I do not think he will be disappointed in the future. I will do all I can in my position to ensure that we do everything possible to protect the health of young people.

Question put and agreed to.

6.23 pm

House adjourned.

House of Commons

Friday 10 June 2011

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Mr Christopher Chope (Christchurch) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163), and negatived.

Drugs (Roadside Testing) Bill

Second Reading

9.34 am

Mr Christopher Chope (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

Before I speak to my Bill, may I, on behalf of the whole House and my constituents, congratulate His Royal Highness Prince Philip, the Duke of Edinburgh, on his 90th birthday today?

My Bill, which I hope will receive a Second Reading today, is part of an iterative process to try to maintain pressure on the Government to take seriously the issue of drug-driving. They talk the talk—I refer to both the present and the previous Government—but they have not delivered on the action. Since I was a Minister with responsibility for road safety and then a shadow Transport Minister, I have taken a deep interest in the subject of trying to get evidence to ensure that people are deterred, detected and punished if they are guilty of driving with drugs in their body.

There have been some horrific fatal accidents and accidents causing serious injury. I remember one on the A31 in my constituency, in which a young student was killed in a head-on crash because a lorry driver was on the wrong side of the road, having gone to sleep after taking a lot of amphetamines. There is a real problem here, as the Government accept. As recently as last Sunday, the Minister with responsibility for roads, the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), produced an article saying that it was essential to get to grips with the issue. My concern is that unless or until the Government enable roadside drug testing to take place, we will never get to grips with the issue.

Back in 2003 I served on the Standing Committee on the Railways and Transport Safety Bill, which was enacted that year. That Bill included provisions to alter the road traffic legislation to allow a roadside drug test of people suspected of having drugs in their system. The test was to show not whether they were impaired by drugs, but whether they had drugs in their system. We were told then that the technology existed and that in due course the test would be available. It was spelled out in the Bill, however, that Home Office type approval was necessary.

That was back in 2003, and not only do we still not have Home Office type approval for a roadside drug-testing device, but the Home Office has not yet even been able to draw up a specification against which type approval might be given. Until a specification is drawn up, it is not possible for the experts in the field to submit their ideas. The best the Government can do is say that they have agreed a specification and type approval for a testing device which could be retained in police stations. That is something, but it is not the answer to the problem. It means that the police will have to have grounds for arresting somebody at the roadside before taking them to the police station. One can assume that relatively few people will be taken to the police station because of the difficulty of establishing at the roadside a reasonable suspicion that a driver has drugs in his system.

Why can we not have a system of roadside drug-testing devices? The irony—it is so sad—is that in this country we are trying to achieve an export-led

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manufacturing recovery for our economy. It is British experts and British manufacturers who are the key players in the technology. A firm called Concateno is already exporting devices to enable roadside drug testing to take place. It is exporting them all over the world. Various countries, including Finland, Croatia, Canada, Australia and New Zealand, have introduced legislation to enable roadside testing for drugs to take place, often utilising the very same devices produced by Concateno. Even more ironically, these drug-screening devices are used by the police forces themselves to screen police recruits to see whether they have drugs in their system. They are also used by the Ministry of Justice in the Prison Service and by quite a lot of schools, where pupils who have been caught with cannabis or other drugs are put on a drug abstinence regime which is then reinforced by these screening devices. These devices are therefore widely used.

Mr David Nuttall (Bury North) (Con): Does my hon. Friend agree that it is rather strange that the police, and by implication the Home Office, should have sufficient confidence in these devices to use them to test members of the police force, and yet they apparently do not have enough confidence in them to test drivers at the roadside?

Mr Chope: My hon. Friend makes a very good point. When presented with such evidence, one has to question the motives. Why has the Home Office been so slow in coming forward with a specification against which it might be able to give type approval for these devices? It may be because it knows that were there to be such roadside testing, there would be a lot more work for the police to do, because many drivers have drugs in their system and if they were detected by such screening devices at the roadside following an accident, the whole process of law would come into play and many of them would end up with a conviction. We know that there is a cost associated with that, and I suspect that behind all this delay is a reluctance by the Home Office to open up a Pandora's box of increased detection of offences and increased burden on the court system, and ultimately, perhaps, increased numbers of people in prison.

What could be happening? Funnily enough, on Wednesday of this week there was a short post from the Australian Broadcasting Corporation from the Limestone Coast police in South Australia, which said:

> "Statistics released by Limestone Coast police have shown significantly more people are being caught driving under the influence of drugs, than under the influence of alcohol. Superintendent Trevor Twilley says 6 per cent of people tested for drug driving are coming back with positive results, while less than half a per cent are returning positive results for alcohol."

That is a direct consequence of the state of South Australia equipping its police with the technology and the means to do roadside drug tests. It is relatively new in South Australia but it is already having a major impact. If it can be done in South Australia, why can we not do it here, and now?

My Bill, like previous Bills along the same lines, says that a type approval for this drug-testing device must be in place within 12 months. My original Bill, introduced under the ten-minute procedure in April 2007, had the exclusive support of those who were at that time Opposition Members. Among those who supported that and subsequent Bills are a number of distinguished Members of the House. The Bill that I introduced in December 2007, which was identical to my ten-minute rule Bill, was supported by none other than my right hon. Friend the Leader of House, who I am delighted to see in his place today, and also by four colleagues who are now Select Committee Chairmen, and one colleague who is now a Deputy Speaker of this House, as well as, of course, what might be described as the more usual suspects, my hon. Friends the Members for Wellingborough (Mr Bone) and for Shipley (Philip Davies). The legislation thus had a wide range of support, and that was back in 2007. The Bill then said that the type approval should be produced within one year. My right hon. Friend was obviously keen that that should happen. He is now in a very powerful position in the Government—arguably even more powerful than the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who will reply to the debate.

Why cannot the Government, with the support of the Leader of House and that of the Minister with responsibility for roads, who was also a signatory to one of my Bills in identical terms on this subject, deliver on this reasonable proposition that we should have type approval for a roadside drug-testing piece of equipment? I am sure that it would result in far fewer people driving on our roads under the influence of drugs or with drugs in their system. Far too few people are being brought to justice at the moment, so people think they can drive with drugs in their system with impunity. It is relatively rare that the courts are asked to deal with people who are guilty of drug-driving, because it is quite hard to detect at the moment.

One of the most famous recent cases was reported on 14 September 2010 when somebody called George Michael was jailed for eight weeks for drug-driving. He crashed his car while under the influence of cannabis and was given a five-year driving ban. He had also been guilty of driving under the influence of drugs on a previous occasion. I am not sure what Members of the House will think about the sentence that was imposed, but it shows that this illegal activity of drug-driving is taking place in this country, and the police themselves suggest that it is much more widespread than has so far been recognised by the Government.

We have had any number of Government initiatives promising to clamp down on drug-driving and have a publicity campaign about it. Even this week, in the *Mail Online*, there is an article similar to that in *The Sunday Times* to which I have already referred, saying that the Minister is determined to do something about it. All he has to do, if he really has the will, is to go to Concateno and ask what type approval would be needed to ensure that we can have a roadside testing device. Concateno would be able to give him that information relatively easily and the specification could be drawn up and the testing device given type approval sooner rather than later.

In the Government's most recent road safety programme, they refer to this issue but only in the most general terms. Even the target that was set as recently as March, that the type approval for the device that would be used in police stations would be completed, has not yet been met. It was said that it would done by the end of April, but we are now in June and it still has not been completed.

I hope that my hon. Friend the Minister will be candid in explaining the reasons. For one reason or another, we have still not got the type approval that we need for both the roadside testing device and the testing device to be used in police stations. Until we get that we will not have an effective regime for dealing with the scourge of drug-driving.

The principle that Ministers should apply is this: where there is a will, there is a way. If the ministerial team has the will to do something about this and is prepared to override the block in the Home Office, particularly in its scientific branch, they will be able to deal with this. I think that it is an indictment of the Home Office's scientific branch that, despite all its expertise, it is still unable to come up with the type approval specification.

Jacob Rees-Mogg (North East Somerset) (Con): Is the Home Office not right to be cautious about approving a device that could lead to someone getting a criminal sentence, and possibly going to jail if the accident is serious enough? On this occasion, delay may be wise and prudential, rather than the folly of bureaucracy.

Mr Chope: My hon. Friend is certainly right that it is absolutely vital that the devices used in police stations to provide conclusive evidence that a person has drugs in their system are 100% accurate. We are on the threshold of having type approval for such devices. I am dealing with screening devices that could be used at the roadside and that are comparable to the devices used to identify those suspected of drink-driving. Those screening devices, which people have to blow into through a tube, indicate prima facie whether there is excess alcohol in the system. It might turn out that those people, even if they have a positive breath test, are found not to test positive when they get down to the police station and a blood sample is taken. The device is a screening device. It enables the police, following road traffic accidents or offences, to screen people they suspect of having alcohol in their system. I am suggesting that we urgently need a similar system for people who are suspected of having drugs in their system.

Jacob Rees-Mogg: I thank my hon. Friend for giving way again. Press reports are saying that the screening devices used for drug-driving will be made evidential in and of themselves, without a second test back at the police station. Would it not be rather peculiar to have two different standards for roadside testing, one that had to be checked at the police station and one that had become evidential in itself?

Mr Chope: My hon. Friend is right, but he has read reports that these roadside devices will be used to provide evidence of guilt in themselves. As a lawyer, not to mention as a politician, I would be rather concerned about that, because I think that trying to streamline the processes in such a way could lead to an enormous amount of injustice. On the most recent sitting Friday we heard that quite a lot of criminal records are inaccurate. If the criminal records are inaccurate, how can we be sure that a roadside device for indentifying whether someone has excess alcohol in their system will be 100% accurate?

In response to my hon. Friend's reasonable concerns, I would argue that we should keep the existing system for detecting alcohol, which has proved successful and resulted in a significant reduction in the number of people driving with excess alcohol in their system. We should keep the system of a roadside test and apply the same screening principle to people suspected of having taken drugs or whose driving is impaired as a result. We should then ensure that there is a cast-iron, rigorous system at the police station for ensuring the accuracy of those tests.

Andrew Bingham (High Peak) (Con): My hon. Friend is making a compelling case and I agree with much of what he says. We hear of the dangers of passive smoking, so if a person has been in the presence of someone smoking cannabis and has ingested the fumes passively, might that not show up in some tests? Can we be assured that someone would not be found to have taken drugs when there had been a passive intake, rather than a distinct taking of drugs?

Mr Chope: I am afraid that my hon. Friend leaves me speechless, because I know nothing anything about how people can be contaminated by others smoking cannabis and so cannot comment on that. Perhaps he will in due course make a further contribution to the debate and explain a little more of his background knowledge—and how he acquired it. To be candid, I do not know the answer to his point.

Whatever the answer is, it should be within the capabilities of the Home Office's scientific branch to reach a conclusion within an eight-year time scale, as it has already been working on this for eight years and we are now talking about another two or three years. If all the promises that have been made are treated in the same way in future, we will still be debating this in five, six or seven years' time. Meanwhile, people will continue to be killed and maimed on our roads as a result of drug-driving. Drug-driving kills or injures people on our roads every week. I know that the Government and the Minister responsible for road safety take the issue seriously. They talk the talk, but can we please ensure that we introduce roadside drug-testing systems sooner rather than later, which means before the end of this year?

9.56 am

Mr David Nuttall (Bury North) (Con): I commend my hon. Friend the Member for Christchurch (Mr Chope) for showing such determination and persistence in bringing the Bill before the House. I think he has been hiding his light under a bushel to some degree, as he has attempted no fewer than four times to get his Bill a Second Reading. Today is very much a red letter day in the life of the Bill. It was first brought to the attention of the House in April 2007 under the ten-minute rule. A similar, if not identical, Bill was presented to the House on 10 December 2007. Sadly, as the time-honoured phrase "due to lack of parliamentary time" so aptly describes, it befell the fate of so many private Members' Bills and proceeded no further than that first hurdle.

Unperturbed by this and remaining convinced of the merits of the case, my hon. Friend presented the Bill for a second time in the following Session and it had its First Reading on 26 January 2009. Sadly, the legislative gods again did not smile kindly on the Bill. Despite being on the Order Paper so many times, it failed to make any further progress. Until I looked at the list of sponsors of those previous Bills, I was unaware that I, as a sponsor of this Bill, was replacing one of the

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Deputy Speakers or the Leader of the House. Had I known that, I certainly would not have changed my decision to support it.

We have already heard my hon. Friend explain the thinking behind the Bill and what it seeks to achieve. I think it makes good parliamentary sense, because essentially it seeks to amend what is effectively a dormant provision in an Act of Parliament.

It breathes life into the provisions of section 6C of the Road Traffic Act 1988, so that rather than being just words they can be used in practice, which is no doubt what was intended so many years ago when they were introduced as an amendment to the 1988 Act. The whole purpose of the Bill is to make it easier for the police to detect those who drive under the influence of drugs.

My hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) quite rightly raised concern that if machines are not accurate innocent drivers might be convicted and receive a criminal record. I acknowledge that risk, but, as I will outline later in more detail, medical evidence shows that even an infinitesimally small amount of drugs can impair one's driving ability. The reading from the machine will not represent proof beyond all doubt, because it will be for the courts to assess its strength and validity, but it surely must be better than what happens at the moment.

There are penalties for people who drive under the influence of drugs, and the police are advised about the steps to take if they think that someone is doing so. Five exercises are designed to assess their abilities: a pupil dilation test, designed to test for the presence of drugs; counting out 30 seconds; walking in a straight line, nine paces forward and then back—the classic test to check co-ordination and balance; raising a foot in the air 6 to 8 inches off the ground, which is designed to test the balance; and touching one's finger to one's nose with the eyes closed.

Jacob Rees-Mogg: It occurs to me that those tests are rather unfair on people who are not necessarily particularly numerate or athletic, and that standing on one leg with one's foot 6 to 8 inches off the ground might be rather difficult for a lot of people on a normal day.

Mr Nuttall: My hon. Friend makes a valid point. The police are concerned that many completely sound people, who had never been within a mile of a drug or been involved in any drug taking whatever, would fail such a test. I would doubt my ability to perform all those functions without some error, and I have to concede that it would be difficult for even a sober person to pass all those tests easily.

In the Romberg test, for example, motorists are asked to stand up straight, tilt their head back, close their eyes and count to 30. If they sway and lose count those are regarded as an impaired ability to drive. It is like a scene from a Hollywood movie, seeing a suspect have to walk nine paces in a straight line and then nine paces back, and the idea of somebody having to stand alternately on their left and right legs without falling over is really rather ridiculous, so anything that moves away from those subjective tests and puts things on a more scientific basis can only be a step in the right direction.

The evidence obtained by the police must be of sufficient quality to enable them or the Crown Prosecution Service to secure a conviction in court, and it is important to determine what is meant by "drugs". We all might think that we know what is meant, but what does the legislation state? Fortunately for us, and for the purposes of the 1988 Act, we are enormously assisted by section 11, entitled "Interpretations of sections 4 to 10". Section 11(2) states that

"'drug' includes any intoxicant other than alcohol".

Jacob Rees-Mogg: That is an enormously important point. I do not know whether my hon. Friend reads the *Daily Mail* regularly, but it pointed out earlier this week that if one had five cups of coffee in a day one could hallucinate, so under the Bill will we roadside-test people who have had just one extra cup of coffee?

Mr Nuttall: That is indeed a problem, because caffeine can be regarded as an intoxicant, as indeed—I was very surprised to find out—can water. Those apparently harmless substances, if consumed to excess, can result in intoxication, so the definition in section 11 captures not just the obvious drugs that we think of when we hear "drugs".

Chris Heaton-Harris (Daventry) (Con): The road haulage industry is in a quandary, because a number of lorry drivers drink high-caffeine drinks, such as Red Bull and Relentless. Is there not a danger that such hauliers, who are just trying to ensure that they are very aware of what they are doing as they drive down the road, and just trying to do the best that they possibly can in maintaining control of their vehicle, could be subject to the Bill and find themselves breaking the law?

Mr Nuttall: My hon. Friend raises an interesting issue. I appreciate that he says such drivers are not doing anything wrong, and are just trying to do their best in their job, but medical evidence may well show that, although they think they are doing the best they can, by ingesting so many intoxicants, which is what they are doing according to the definition, they are putting themselves in a state of well-being whereby they are prepared to take chances that they might not take if they were completely sober.

It would be for a court to weigh up the evidence of whether a person was driving under the influence of drugs, which, under an earlier section of the 1988 Act, is the offence in question, and one can easily see how a bench of magistrates or a jury might decide that a lorry driver who had drunk several cans of highly concentrated caffeine-based drinks had subjected their body to such external influences as to result in their having driven under the influence of drugs.

The fact that the definition in the Road Traffic Act is so widely drawn is one of the reasons it is necessary to bring this Bill before the House. I suspect that it is also one of the reasons there has been such a delay in having a device approved by the Secretary of State for the carrying out of a preliminary drug test within the scope of section 6C. Perhaps when that that legislation, and the amendment to it, was drafted, section 6C should have used the word "devices" instead of "device", because that might have made it easier for scientists and developers to devise and manufacture one device to deal with one

set of drugs and another to deal with another set of drugs. The use of the word "device" has meant that the manufacturers, the scientists and the Home Office Scientific Development Branch have had to work towards coming up with a catch-all machine that is capable of detecting any number of substances. The Act is drawn so widely that a large number of substances could be termed a drug.

Apart from all the obvious drugs, which I will, for ease of reference, call illicit drugs, it is arguable that, as we have heard in my hon. Friends' interventions, the definition will cover other substances—not only substances that we take in every day, such as coffee and water, but prescribed medical drugs. Intoxication is one of a number of conditions that come under the umbrella term "substance-related disorders". Of course, the drugs most likely to cause impairment are those whose use is prohibited by law. I want briefly to explain the different ways in which such drugs can affect people. Different drugs affect different people in different ways, and the effects can last for several days, sometimes without people even realising it.

Cannabis slows the actions, affects concentration and often has a sedative-like effect resulting in fatigue and affected co-ordination. I would not be surprised if somebody suggested that cannabis was rather like one of my speeches on a Friday. The parliamentary correspondent from the BBC might put that in one of his reports.

Tracey Crouch (Chatham and Aylesford) (Con): Cannabis is often the drug of choice for younger members of society. Is my hon. Friend aware that RAC surveys of young drivers show that they are more likely to have been driven by somebody who has used illegal drugs than by somebody who has used alcohol?

Mr Nuttall: My hon. Friend makes a good point. Although the statistics show that thousands more people have been convicted of driving under the influence of alcohol than of drugs, whenever a survey is carried out we find that people, especially if they have been to a club, will admit that they are more likely to have been driven in a vehicle by somebody who has had drugs than by somebody who has had alcohol.

Jacob Rees-Mogg: This is a very interesting discussion of the effects on people's behaviour. One of the most dangerous ages for driving is 18 to 25 for young men. If they are having accidents because they are going too fast, and cannabis slows them down, are you saying that they ought to be using cannabis when they drive?

Mr Speaker: I am not saying anything, but I think that the hon. Gentleman might be.

Mr Nuttall: My hon. Friend makes an interesting point. As my hon. Friend the Member for Daventry (Chris Heaton-Harris) said, people may think that by taking certain substances they are doing themselves great benefit and putting themselves in a state where it will be easier for them to drive. If they are feeling all pumped up and hyped up after being in a nightclub, they think that taking cannabis might slow them down and get them back on the right track. I would submit that it is very dangerous for anyone to go down that road.

That is cannabis. Secondly, there is cocaine.

Mr Chope: I am glad that my hon. Friend has dealt with cannabis.

It is thought that one of the reasons prison officers are so relaxed about the widespread use of cannabis in prison is that it keeps the prisoners—or inmates, as the politically correct would describe them—in a relaxed state.

Mr Nuttall: That might be so, but the fact is that the use of such drugs is illegal. I hope that one of these devices will be authorised for roadside drug testing in the near future, because it would then be a small step for them to be used in prisons, making it easier to ascertain which of the inmates has had access to illicit drugs.

Stephen McPartland (Stevenage) (Con): Does my hon. Friend agree that there is some concern about the fact that if these devices are to be used purely to detect whether drugs are present in a person's system, that creates the possibility of a greater move towards a police state, because the current legislation states that the authorities must prove that the individual was impaired by the use of drugs in driving the vehicle, as opposed to having drugs in their system?

Mr Nuttall: My hon. Friend makes a good point. Ultimately, however, it will be for the courts to decide, not the police, so I do not think it could be said that we would be living in a police state. The police will put the evidence before the magistrates court or, in appropriate cases, the Crown court, where the jury will weigh up the evidence and decide whether the person is guilty of the offence. Let us stick to what we are talking about, which is driving under the influence of drugs.

Cocaine causes over-confidence and can cause erratic behaviour. After a night out using cocaine, people often report that they feel as though they have flu. Some people, however—I said that different drugs can affect people in different ways—feel sleepy and lack concentration.

My hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) commented that drug taking among young people, particularly in nightclubs, is still very prevalent. One of the principal drugs used in those circumstances is ecstasy. Ecstasy makes the heart beat faster, which can cause a surge of adrenalin and result in a driver feeling over-confident and therefore taking additional risks that could, and do, cause accidents.

LSD can, depending on the individual concerned, appear to speed up or slow down time and movement, making the speed of other vehicles difficult to judge. It can distort colour, sound and objects, and users often see objects that are not there. LSD can cause people to feel panicky and confused—obviously a dangerous state to be in while driving.

Speed makes people feel wide awake and excited. Of course, I refer to speed, the drug, rather than vehicle speed. People who have taken speed find it difficult to sit still and have difficulty sleeping. Someone who has taken speed and has not been able to sleep at the weekend would probably be tired and dangerous on the road. Speed can also make people feel very panicky.

The problem is complicated by the fact that medicinal drugs that are legally prescribed by a qualified medical practitioner can also adversely affect a person's ability to drive. It is, of course, the responsibility of the driver to ensure that he does not commit an offence when driving under the influence of drugs. Doctors do, however, advise patients of the dangers of the side effects of medication. The Driver and Vehicle Licensing Agency

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issues advice to general practitioners on the possible effects of a variety of drugs. GPs are advised to assume that the majority of adult patients are actual or potential drivers.

The Medical Commission on Accident Prevention has published a booklet, which is available to all GPs, setting out its views on the commoner conditions that affect one's fitness to drive safely. The booklet, entitled "The Medical Aspects of Fitness to Drive", contains chapters on prescribed and illicit medicines and driving. Various suggestions are offered to GPs on the advice that should be given to patients, such as not driving at all until any side effects are known, not driving if feeling unwell, and not combining alcohol with drugs. As will be seen from the cases I refer to later, the combination of alcohol and drugs is sadly all too common in cases of death by dangerous driving. GPs are also advised to warn that stimulants and euphoria-producing drugs may lead to unnecessary risks being taken.

In addition to that advice, the DVLA issues the "At a glance guide to the current medical standards of fitness to drive", which contains sections on driving while taking medication for psychiatric and cardiovascular disorders. Specific illnesses such as epilepsy and diabetes are also covered. A review of the effects of over-the-counter medicines and the associated potential for unwanted sleepiness was published in 2004.

We should not forget the impact of the internet in this area. The Medicines and Healthcare products Regulatory Agency noted in its evidence to the North review, to which I will refer later, that

"there is an increasing trend of buying prescription only medicines over the Internet."

Clearly there are dangers that medicines purchased in that way may be misused, because there is no opportunity for an individual to be given advice about the possible dangers and side effects.

Publicity was first given to the problems of driving under the influence of drugs, particularly lawful drugs, by a report published as long ago as April 1995 by the Institute for Human Psychopharmacology, entitled "Drugs other than alcohol and driving in the European Union". Compared with the research into drink-driving, there was little real understanding of the effects of drugs on one's ability to drive.

Mr Chope: My hon. Friend is making some interesting points, but I do not want him to think that my Bill would cover roadside testing for non-illegal or medicinal drugs. I am trying to deal with people who have illegal drugs and substances in their body while driving.

Mr Nuttall: That might be so, but, as I have pointed out, drugs are defined as anything that is an intoxicant, and that includes not just illicit drugs but medicinally approved and prescribed drugs and common drinks such as those containing caffeine and, in extremis, water. Although the focus will be on illegal drugs when the device is eventually brought into use, the producers of the device ought to look at the definition of the word "drug" and produce a device that covers both illicit and medically prescribed drugs, because both are dangerous.

Jacob Rees-Mogg: I thank my hon. Friend for giving way again; he is being enormously generous. Are not the same drugs sometimes illegal and sometimes legal? Drugs that are banned for use in the wrong circumstances, such as opiates, may be prescribed by physicians to treat pain. Such drugs would be illegal if you bought them—sorry, Mr Speaker, I mean if my hon. Friend bought them, because I think it inconceivable that you would buy them—in a corner shop in Cheam.

Mr Nuttall: My hon. Friend makes the valid point that a drug that for all other intents and purposes is illegal becomes legal if it is prescribed by a GP. As Members on both sides of the House will be aware, we are often lobbied by those who feel that cannabis should be more widely available to make it easier for those with certain medical conditions to bear the symptoms. I understand that cannabis can make it easier for people to bear certain symptoms that are otherwise unbearable.

Chris Heaton-Harris: To return to a point made by my hon. Friend the Member for Christchurch (Mr Chope), is the problem not that the Road Traffic Act deals with whether a drug impairs someone's ability to drive and does not prescribe a limit for how much can be contained in the blood or urine?

Mr Nuttall: My hon. Friend raises a good point. With alcohol, the law sets a specific limit of 80 mg of alcohol per 100 ml of blood. It is relatively easy to test whether someone has more or less than the proscribed amount of alcohol in their blood, whereas a subjective decision has to be taken on whether someone is driving a vehicle under the influence of drugs. The 1988 Act is specific about that. That is indeed part of the difficulty that the Home Office has faced in proposing an appropriate device, because, as my hon. Friend the Member for Christchurch said, no standard for device specification has been set. As I will say later, some studies show that as little as 1 nanogram can adversely affect one's ability to drive.

Fortunately, those who have to draw up the specification will be aided by the fact that some research has been carried out on the appropriate level to be set. A research programme was initiated by the Department for Transport, the Home Office, the Coroners Society and the Association of Chief Police Officers, aimed at establishing systematically the incidence of drug use among fatal road casualties—not just illicit drugs but those that are prescribed or sold over the counter. The interim results were released in February 1998 and included in the road safety White Paper entitled "Tomorrow's roads: safer for everyone", published in March 2003. That White Paper stated:

"Studies have shown that compared with ten years ago, five times as many people killed in road accidents had a trace of an illegal drug in their body. Cannabis was by far the most common illegal substance found. However, whilst it is likely that shortly after use the active ingredient of cannabis impairs driving, traces of the drug can remain in the body for up to four weeks, long after it has ceased to have any effect. This can present difficulties for enforcement until we have further research findings.

Class A drugs are most likely to have an adverse effect on driving. According to interim survey results, they were found in 6% of cases (compared with 12% for cannabis). This was a small increase compared with 10 years ago.

In the studies of road accident fatalities referred to above, it was found that there had been no change in the incidence of medicinal drugs over the period. There is scope, nevertheless, to improve enforcement and to make people more aware of the risks of driving while their ability is affected by drugs."

The RAC has also surveyed a group of young drivers and found that young people are twice as likely to have been driven by someone who has taken illegal drugs than by someone over the drink-drive limit. A Transport Research Laboratory report on the effects of cannabis on driving was published in December 2000, and found that there were measurable effects on driver performance and that drivers could be impaired. A report on the effects of cannabis and alcohol was published in 2002, which confirmed the earlier observations and judged that the general medical examination and standardised impairment testing applied by police surgeons were generally effective in determining impairment.

It may well be that those reports led the Home Office to think that the testing that was already being done was generally satisfactory, and that the matter was therefore not as urgent as supporters of the Bill feel it is. However, there have been several other small-scale qualitative and quantitative studies that have examined patterns of recreational drug use and driving. I wish to refer in particular to one, undertaken by the Scottish Executive. It was published in 2001 and examined aspects of driving while under the influence of recreational drugs. It identified general patterns of personal drug use. When stopped on a toll bridge, some 3% of survey respondents aged 40 and over, and 13% of those aged 17 to 39, had taken an illegal drug in the previous twelve months. Among those attending dance clubs, 76%—three out of every four—had taken illegal drugs in the previous month. Drug-driving was particularly evident among those attending nightclubs.

Jacob Rees-Mogg: My hon. Friend says that 76% of those who have been to dance clubs have been taking drugs before driving. Ought we therefore to have a test for people who have been to dance clubs, since it seems so many of them will be unfit to drive when they leave?

Mr Nuttall: My hon. Friend makes a very good point indeed. The statistics that I mentioned show the importance of the police monitoring closely those who seek to drive a car after leaving a dance club where drugs must clearly have been available.

Chris Heaton-Harris: I would hate the public listening to this debate to think that everyone here believes that anyone who goes to a club for a good night out is much more likely than others to take illicit drugs and then drive illegally when impaired by them. Most people go there for a damn good time, and they manage to do that. They might well have a drink or two, and they might well have a good boogie in what my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) might refer to as a discotheque, but most of them are law-abiding citizens just enjoying themselves on a night out.

Mr Nuttall: I could not agree more. I am merely drawing the House's attention to the findings of a particular survey. I do not seek in any way to draw any further conclusion from it, but there is clearly a problem if that survey—and it is only a single survey—is to be believed.

Mr Chope: Is there not an even more important survey, which is the one that shows that half of the young people who admit to driving with drugs in their system say that they would not do so if they thought that there was a possibility of their being subject to roadside testing for the presence of those drugs?

Mr Nuttall: My hon. Friend makes a very good point, and I shall touch later on the fact that the lack of roadside testing, and the knowledge of that fact among young people, may well lead to widespread use of illegal drugs.

I mentioned that 76% of respondents to a survey who had attended dance clubs had taken illegal drugs in the previous month. Drug-driving was much more prevalent among those attending nightclubs than among the general population. The study showed that 85% of those who had attended a nightclub had driven after taking illegal drugs on at least one occasion. Some 37% per cent reported that they drove after taking illegal drugs on at least a weekly basis, most of whom—89%—were cannabis users. However, whereas drug-driving appeared to be widespread among the sample of those interviewed who attended clubs, it was not identified as being widespread among the general population.

In a separate survey in 2001, the Transport Research Laboratory measured the incidence of drugs among fatal road accident casualties. An earlier study published in 1989 had found that the incidence of medicinal drugs, at 5.5%, and illegal drugs, at just 3%, was relatively low in comparison to alcohol, which was at 35%. However, the 2001 study, based on results collected between 1996 and 2000, found that the incidence of medicinal and illegal drugs in the blood samples of road traffic fatalities was three times higher than in the previous study, at 24%, while the incidence of alcohol had fallen slightly to 31%.

It is a matter of conjecture whether those changes arose as a result of the legislative framework that existed—my hon. Friend the Member for Christchurch made the point that it is well known that there is no device for roadside drug testing—or whether they were merely a result of social changes. I venture to submit that it was probably a combination of both those factors.

The findings of further research, which was sponsored by the Economic and Social Research Council and led by Dr Philip Terry, were set out in January 2004 in a paper entitled, "Indirect harm from regular cannabis use". It was found that 52% of those surveyed had driven while under the influence of cannabis and of those, 70% believed that that had impaired their driving.

In December 2005, no less a publication than the *British Medical Journal* published an extract of a paper by—I apologise in advance for my pronunciation—Bernard Laumon, Blandine Gadegbeku, Jean-Louis Martin, and Marie-Berthe Biecheler on cannabis intoxication and fatal road crashes in France. The research was based on a sample of 10,748 drivers, with known drug and alcohol concentrations who were involved in fatal crashes in France. The paper found that of the drivers studied, 7% tested positive for drugs and 21.4% for alcohol, including 2.9% for both drugs and alcohol. Men were more often involved in crashes than women, and were also more often positive for both cannabis and alcohol, as were the youngest drivers and users of mopeds and motorcycles. Positive detection was more commonly associated with crashes that happened during the hours of darkness.

In the light of that growing body of academic evidence, it is perhaps no surprise that Parliament legislated against driving while under the influence of drugs. Under section 3A of the Road Traffic Act 1988, as amended by the Road Traffic Act 1991, the offence of causing death by careless

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driving while under the influence of drink or drugs requires the prosecution to show that the driving caused the death of another person and fell below the standard expected of a reasonable, prudent and competent driver in the circumstances; and that the driver was unfit through drink or drugs, or that the level of alcohol was over the prescribed limit, or that there was a failure to provide a specimen. Such a charge can be heard only in Crown court. The maximum penalty is an unlimited fine and/or 14 years imprisonment; an obligatory disqualification for at least two years, or a disqualification for three years if there is a relevant previous conviction; and the obligatory endorsement of the driver's licence with between three and 11 penalty points. The maximum penalty was originally five years imprisonment and/or an unlimited fine, but that was doubled to 10 years imprisonment from August 1993 as a result of the Criminal Justice Act 1993, and it was increased again to 14 years in February 2004 under the Criminal Justice Act 2003.

Under section 4 of the 1988 Act, it is also an offence to drive or to be in charge of a vehicle, as we have heard, while unfit to drive through drink or drugs. The maximum penalty for driving or attempting to drive while unfit is six months in prison, a £5,000 fine and disqualification. The maximum penalty for being in charge while unfit is three months in prison, a £2,500 fine and a disqualification, or 10 points on a licence.

In January 2007, the Sentencing Advisory Panel announced a consultation on advice about "causing death by driving" offences. In January 2008, the panel published its new advice to the Sentencing Advisory Council on those offences. In total, the panel made 18 recommendations. Among them, the panel recommended that when there is sufficient evidence of driving impairment, the consumption of alcohol or drugs prior to driving will make an offence more serious. It said that consuming alcohol or drugs unwittingly before driving can be regarded as a mitigating factor, but that consideration should be given to the circumstances in which the offender decided to drive or continued to drive while their driving ability was impaired.

In November 2008, the Department for Transport published a consultation document on road safety compliance and asked for views of the public on the proposed creation of a new offence for driving with drugs in one's system. The consultation paper explained:

"We could explore the viability of creating a new offence to target those who drive after taking illegal drugs—those that are controlled by the Misuse of Drugs Act 1971—which can impair a user's ability to drive. The public rightly perceive users of these drugs who drive as a danger to road safety."

Tracey Crouch: I have always thought that the insurance industry has a role to play. Currently, when somebody's driving is impaired by drugs or alcohol and they are involved in an accident, if they have comprehensive cover, they can get their car repaired, regardless of the offence that they committed of why they committed it. There is a great deal of benefit in the argument that someone driving under the influence of alcohol should have their third-party liabilities covered, but that damage to their car or their injuries should not be covered, because that damage occurred as a consequence of their taking drugs or alcohol before driving.

Mr Nuttall: My hon. Friend makes a very good point indeed. I am not an expert on insurance policy contracts, but I suspect that it is possible for an insurance company to write such a provision into a contract—*[Interruption.]* If the hon. Member for Eltham (Clive Efford) wants to contribute, he can do so.

Clive Efford (Eltham) (Lab) *indicated dissent.*

Mr Nuttall: It is possible that such provisions are already written into contracts—I would be unsurprised if they are. If they are, perhaps they should be more widely advertised. People might know about driving while unfit from alcohol, but they may be unaware that driving under the influence of drugs risks invalidating insurance policies.

Andrew Bingham: Does my hon. Friend agree that if a measure such as the one outlined by my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) were implemented, insurance premiums for a great many law-abiding motorists would be reduced, which I am sure would be welcomed by one and all?

Mr Nuttall: My hon. Friend makes a very good point indeed. That is one beneficial and happy side effect of the Bill. As a result of fewer people driving under the influence of drugs, there will hopefully be fewer accidents. Therefore, insurance premiums for everyone else would be much lower.

If I may, I shall continue my brief explanation of the contents of the Department for Transport consultation document, which states:

"The public rightly perceive users of these drugs"—

drugs that are controlled by the Misuse of Drugs Act 1971—

"as a danger to road safety. As this paper has shown, it is difficult for the police to deal with these offenders. The nature of the effects of the drugs they take mean it is inappropriate to regulate the use of impairing illegal drugs using a prescribed limit based on the same principles as the limit for alcohol, even if it was acceptable to do so…Such an offence could be framed in such a way that a driver could be convicted of a new offence if an appropriate test showed such an illegal drug in their body. The effects of particular drugs on different individuals are complex, and, as set out below, there would be a lot of further work to do to develop this possibility, but our ultimate aim would be to treat in this way any illegal drug that is capable of impairing driving…The penalties for drivers exceeding the prescribed limit for alcohol are the same as for those convicted of the alternative offence of driving while unfit through drink or drugs. We therefore envisage that penalties for the possible new offence should be the same as for the existing offence of driving while unfit through drugs, which is a mandatory minimum disqualification of 12 months; offenders may also be fined up to £5,000 and sent to prison for up to 6 months."

That consultation closed in February 2009, and in December 2009 the then Labour Government announced that they would seek further advice on the matter from Sir Peter North—it was his review that I referred to earlier as the North review. Although Sir Peter North provided initial advice to the then Minister, Lord Adonis, before last year's general election, his final report was not published until 16 June last year, which of course was after the change of Government. The main recommendations of the North review relating to drug-driving were that police procedures enforcing current

drug-driving laws should be improved, and that there should be early approval for saliva testing. The press notice accompanying the review stated:

"The Review also assesses Great Britain's less well-understood drug driving problem, challenging the lack of reliable statistics, out-dated research and police emphasis on drink driving detection. In the short term, Sir Peter recommends that police procedures enforcing current drug driving laws are improved, making it more straightforward for police to identify and prosecute drug drivers by allowing nurses, as well as doctors, to authorise blood tests of suspects. Medium-term, he recommends early approval of saliva testing of drug driving suspects in police stations, which will largely overcome the environmental problems in roadside use that had previously slowed technological development of so-called 'drugalysers'."

On the question of a new law setting banned drug levels, Sir Peter was keen to say:

"The focus should be on public safety. Any new offence should therefore focus on establishing levels of drugs in the blood at which significant impairment – and therefore, risk to public safety – can be reasonably assumed, as is the case now for drink-driving".

Jacob Rees-Mogg: I am grateful to my hon. Friend for giving way for what must be the dozenth time. Has the issue of cannabis remaining in the body for up to a month been settled in terms of this type of testing? If limits of this kind are to be set and people have not taken an illegal substance for a month, would it be reasonable to penalise them? Is the testing yet sophisticated enough?

Mr Nuttall: My hon. Friend makes a very good point. It is one of the difficulties arising in this area. It might well be that the body retains chemical traces of an intoxicant drug—if I may use that term, as we have now learned that it is perhaps the correct way to describe these drugs. The question would be whether that trace was having any effect on the ability of that person to drive, and that would be a matter for the court to determine. The court might well decide that a person was guilty of the offence—if it were to be an offence—of driving while having drugs in the body. Were that to be made an absolute offence, of course they would be guilty of it.

I made the point that the focus should be on public safety, and that any new offence should therefore focus on establishing levels of drugs in the blood at which significant impairment—and therefore the risk to public safety—can be reasonably assumed, as is the case now for drink-driving. Responding to concerns from patients and health care professionals that people taking medicines would be banned from driving, Sir Peter stresses that this is not his intention. Instead, he highlights that although medicines can be as impairing to driving as illegal drugs, there is an important opportunity for the relevant parties to work together to improve public awareness and the driving patient's safety.

The power that the police have to conduct roadside drug testing was introduced under schedule 7 to the Railways and Transport Safety Act 2003. However, in the absence of any approved device, testing was of a rather more subjective nature. Guidance was issued in December 2004 on the conduct of the preliminary impairment tests. As I mentioned earlier, the police may ask drivers whom they suspect are under the influence of drugs to perform a series of physical tests, usually at the roadside, such as walking along a straight line, touching the tip of their nose with their finger, and standing on one leg. The police also examine drivers' pupils to see if they are dilated while checking for slurred speech and poor co-ordination. If the police officer is not satisfied, the suspect is taken to a police station and a blood test is undertaken.

The problem with these tests is that they are subjective and not scientific compared with breathalyser tests. However, the police still feel that they are successful in identifying those who have been taking drugs. Moreover, the law does not make a distinction between illegal or misused drugs and over-the-counter prescription drugs taken as directed by a medical practitioner. For these reasons, there were often problems associated with prosecuting those who drove under the influence of drugs. In practice, the police have preferred to use the Misuse of Drugs Act 1971, as amended, if they stop a person whom they suspect of taking drugs. Section 5(1) of the Act makes it unlawful to possess a controlled drug unless authorised by regulations under section 7. It may more often be the case that drivers thought to be unfit to drive and found with drugs in the vehicle would be prosecuted for possession of drugs and not for driving while unfit. However, problems may arise with the prosecution of a driver found in possession on the basis of a positive blood or urine sample, because once drugs have been consumed their character is altered and the person consuming the drugs is no longer considered to be in possession.

The same problem was highlighted in the submission by the Department for Transport to the North review team last June:

"The complex nature of drug pharmacodynamics and pharmacokinetics makes it difficult to establish values that would represent impairment in the general population. The main challenges in determining suitable cut-offs include: individual variations, drug tolerance, interactions with other drugs, and the variable effects of the same blood concentrations of drugs depending on whether the concentration is rising or falling. One review of the evidence for levels of cannabis related to impairment has suggested a cut-off for THC in whole blood of between 3.5–5 ng/ml, although a population-based study in France suggests that impairment is evident at lower levels (above 1 ng/ml). Attempts to develop comparable levels for amphetamines, however, have found greater variation in the association between blood concentrations and tests of impairment and thus recommend that per se cut-offs are inappropriate for this drug group. Tolerance issues and interactions with other drugs suggest that identifying suitable cut-off values for other drugs may also be inappropriate. Within Europe, a variety of drug driving policies has been adopted by the different countries, ranging from zero tolerance per se limits (e.g. Sweden) to proof of impairment (e.g. current UK laws), each with subtle variations. A zero tolerance approach overcomes the difficulties associated with: a) proving impairment; and b) deciding on scientifically valid cut-offs from conflicting sources of data. However, zero limit per se laws also have the potential to penalise drivers who are not impaired and pose no risk to safety. Studies of the effectiveness of Sweden's zero tolerance laws have found them to have been unsuccessful in deterring DUID"—

driving under the influence of drugs—

"re-offenders. Further research into the correlations between blood concentrations of certain drugs and impairment may help to move toward developing suitable cut-offs (like those developed over time for alcohol). However, 'before' and 'after' studies of newly introduced laws to evaluate the performance of these various approaches in practice may be more useful."

Perhaps I should add by way of explanation that pharmacodynamics explores what a drug does to the body, whereas pharmacokinetics explores what the body does to a drug. It is also worth bearing in mind the

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infinitesimally small amounts of a substance that have to be detected. The review of evidence that I have just quoted stated that some studies had found impairment at levels as low as 1 nanogram per millilitre, and a nanogram is one billionth of a gram.

Jacob Rees-Mogg: I know that we are tied up heavily with the European Union, but I wonder whether my hon. Friend could translate that into ounces.

Mr Nuttall: I am sure that there is a method of doing so, but I could not do it now. However, my hon. Friend will be pleased to know that I will briefly touch on the European Union later. In all seriousness, however, 1 nanogram is one billionth of a gram, which may account for why it has taken the Home Office so long to produce a realistic specification for such a device, given the extremely small—indeed, unbelievably small—levels that it is expected to detect.

With all that in mind, it is perhaps worth considering some of the tragic cases of people losing their lives as a result of drivers taking the wheel while under the influence of drugs. It is perhaps all too easy to get bogged down in the technicalities and the dry scientific details of the drugs that we have been considering, and to forget the human tragedies that lie behind the problem. The road safety charity Brake has briefly and helpfully summarised some of those cases on its website. For example, it cites the case of a 20-year-old young woman, Katharine Davis, who was killed by a banned driver, Lee Fitzgerald. The case was reported in *The Northern Echo*, which stated that Fitzgerald was not only almost two times over the legal drink-driving limit, but had taken a cocktail of drugs, including cocaine and ecstasy. He then got behind the wheel of a friend's car and gave a lift to Katharine and a work colleague. As he was being followed by the police, he crashed the car and Katharine lost her life. Fitzgerald was jailed for five years.

In another case, a young girl, Lucy Bellamy, aged only nine, was hit and killed while on a pelican crossing by one Andrew Wilkinson, who at the time was just 20. Wilkinson admitted to police that he had been smoking cannabis through a makeshift pipe. He apparently had not even tried to brake, even though he was approaching a pelican crossing. He was jailed for four and a half years. Further such cases arise all the time.

Dan Byles (North Warwickshire) (Con): My hon. Friend is generous in giving way. I apologise for not having been here for the start of the debate and I do not know a great deal about this area, but is there any scope in such circumstances for using legislation on driving dangerously? There is no specific law on the use of illegal substances, but could the offence of driving dangerously or of causing death by dangerous driving be used instead against someone who had taken an illegal substance that prevented them from driving safely?

Mr Nuttall: My hon. Friend makes a good point. It is perhaps one that those with greater knowledge of the workings of the criminal law—particularly as it relates to road traffic offences—would be more able to deal with.

There are two more recent cases that I would like briefly to raise, because I do not want people to think that everyone convicted of driving while under the influence of drugs is sent to jail. There was a case reported in the *Dudley News* of a Dudley man who was handed a suspended jail term for driving while unfit to do so through drugs. He was given a six-week jail sentence, suspended for 18 months, and banned from driving for 18 months. To run consecutively, the defendant was also jailed for six months, suspended for 18 months, for possession of a class A drug, heroin. He was ordered to pay £600 compensation and court costs at Dudley magistrates court.

Chris Heaton-Harris: My hon. Friend has been generous in giving way to me throughout this debate, which I very much appreciate. He has listed a whole bunch of terrible tragedies that no one in this place would wish had happened, although the criminal justice system has then caught up with the characters involved and punished them—perhaps not accordingly, but it has at least punished them. Surely the art in this case is in stopping people taking drugs and getting in a car in the first place. Even the devices that he was talking about earlier do not do that. Perhaps we need a much stronger education campaign about the effects of drugs on drivers.

Mr Nuttall: My hon. Friend makes a very good point. Such education starts at school, with teachers and parents explaining the dangers of drug taking and the terrible damage that it can cause to the individual and, if they get behind the wheel of a car, to others. We would do well to send that message out loud and clear this morning.

Let me turn to the very heart of the Bill: the drug-testing device. For about a decade now, the Home Office has been developing a type approval specification for a drug- screening device—known as the "drugalyser"—that will help police at the roadside to detect the presence of drugs. A Metropolitan police trial took place between January 2001 and 2002. It had some success, but was hampered by the fact that testing had to be voluntary. In their February 2007 review of road safety, the then Labour Government stated that the first devices developed to specification could be available by the end of 2007, and that the Home Office was developing a prototype device that could both screen and analyse samples, and which was likely to be ready in two to three years. In February 2008, the then Minister told the House of Commons that the Home Office scientific development branch,

> "in consultation with the Department for Transport, continues to discuss possible improvements to the field impairment test currently used by the police...HOSDB continues to investigate a possible impairment measuring device through established contacts working in this area. Opportunities for partnership with a suitable university or other outside agency continue to be sought."—[*Official Report*, 19 February 2008; Vol. 472, c. 582W.]

This is rather like a mirage of an oasis in the desert—the nearer we get to it, the further away it appears to be. *The Times* subsequently reported that the Home Office was "preparing to approve" hand-held drug-screening devices, and that

> "Philips...announced that it will start deliveries to police next year"—

that is, 2009—

"of a machine that detects five different drug groups, including cocaine, heroin and cannabis, in just 90 seconds from a single saliva sample".

However, no type approval has yet been given. There is the rub: the Home Office might have thought that it was about to approve such a device, but, as we know, that never happened.

I have seen a picture of the machine, and it is a very simple device. A person is asked to provide a sample of saliva, which is placed into a small tube that is inserted into the machine. The sample goes into the measurement chamber, which contains magnetic nanoparticles coated with ligands that bind to one of the five different drug groups. This delivers test results in one and a half minutes. Philips had apparently been busy developing that device since 2001. It was built as an optical device that would be easy to mass-produce for law enforcement purposes.

Sir Peter North's review reported on the problems as follows:

"To date a type-approval specification for such a device has not been produced. Consequently, while a range of commercial drug screening devices is available, none is suitable for enforcement purposes in the UK.

Home Office Scientific Development Branch has been working on the development of a roadside screening device based on surface-enhanced Raman spectroscopy (SERS) over the last 10 years, both in house and externally. A SERS based device would be a considerable advance over existing commercially available devices in that it would be capable of identifying any drug.

Following an expert peer review in 2008, the in-house development by HOSDB of the SERS substrates required for such a device was halted and the emphasis placed on developing external technologies, including those based on SERS. Following two calls for research initiated at the start of 2009, two external research contracts were placed, with the aim of developing prototype devices within the next three years.

With regard to drug screening devices for use at the roadside, the preferred matrix for analysis is oral fluid, which is easy and convenient to collect, and any drugs detected in this medium are indicative of recent use.

Early trials of roadside drug screening devices based on oral fluid...concluded that none of the devices tested at that time was suitable for use in enforcement at the roadside. However, recent evaluations of drug screening devices have highlighted continued improvements in sensitivity and the general performance of oral fluid drug testing devices, but also that the reliable detection of cannabinoid use and benzodiazepines still remains problematic."

Mr Deputy Speaker, you can imagine my delight when I discovered that the long tentacles of the European Union had found their way into this subject. I promised my hon. Friend the Member for North East Somerset that I would touch on this matter. It appears that there is a project funded by the European Commission—using some of the billions of pounds that we contribute to the EU each year—and I hope that you will not think that I am straying from the subject if I mention the word "DRUID". It is actually an acronym for the project funded by the European Commission, and it stands for "driving under the influence of drugs, alcohol and medicines"—*[Laughter.]*

Jacob Rees-Mogg: That reveals another criticism of the European Union. They cannot even spell.

Mr Nuttall: It is a kind of organised acronym. We have the D and R from "driving", and the U from "under". Then we miss out the "the", adopt the I from "influence", miss out the "of", adopt the D from "drugs" and miss out the "alcohol and medicines" bit. That is how we get to DRUID.

Chris Heaton-Harris: I think the correct acronym should be IAMADRUID.

Mr Nuttall: But I am not a druid! I am a practising member of the Church of England. I am not sure whether the Archbishop of Canterbury has commented on this matter yet, but no doubt he will later.

The DRUID report includes an analytical evaluation of several on-site oral fluid screeners. The final report is still in production but early results suggest that police evaluations of the devices tested were broadly positive. Eight of the 13 evaluated devices were rated as "promising" and were subsequently included in a scientific evaluation focusing on sensitivity and specificity.

Stephen McPartland: Were these devices tested in the UK or in the European Union?

Mr Nuttall: My hon. Friend asks a good question, but I do not know the answer. I suspect that they might have been tested throughout the European Union, although I would like to think that at least some of them were tested in the United Kingdom.

Early drafts of the report go on to state that research papers in the press have reported on the evaluation of four of the devices. While one device was considered unsuitable, three demonstrated excellent sensitivity for amphetamines and moderate sensitivity for the detection of cocaine and cannabis. A newer version of one of the devices using new generation oral fluid screening tests demonstrated improved sensitivity—as high as 93%—for tetrahydrocannabinol.

A recent evaluation of the zero tolerance approach adopted in parts of Australia is particularly informative. A report on the first 12 months of the new law in Western Australia reveals that 9,716 roadside tests were conducted during that period. Of those, 517 tested positive for one or more proscribed drugs, which equates to 5.3% of the total.The results suggest that a zero tolerance policy utilising roadside screening devices has distinct advantages over the UK's impairment-based approach. Specifically, the process is simple, straightforward, quick to administer and unambiguous.

Drug-impaired driving legislation, which is akin to our own impairment-based approach, was introduced in conjunction with the roadside oral fluid testing procedures. However, drug-impaired driving appears to have been largely ignored as an anti-drug-drive measure, in favour of the roadside oral fluid testing approach. During the study period, only five drivers were charged with drug-impaired driving. Police officers appeared to be more comfortable with administering the roadside oral fluid tests than with trying to demonstrate impairment in order to secure a conviction for drug-impaired driving. The Australian experience suggests that, were the UK to move to a zero tolerance system, one effect would be that police officers would be less likely to pursue a case for driving under the influence of drugs under section 4 of the Road Traffic Act 1988.

Since the Bill had its First Reading last year, there have been significant developments in this area by the Government. First, in written evidence to the Transport

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Committee submitted in September 2010, the Department for Transport set out the Government's views on how they intended to proceed in the area of drug-driving. In March this year, my right hon. Friend the Secretary of State for Transport set out how the Government would proceed. Subsequently, on 11 May this year, the Department for Transport published its strategic framework for road safety. This stated:

"On drink and drug driving our priority is to deter driving when unfit through drugs or alcohol, and to ensure that those who persist in this dangerous behaviour are detected and punished effectively. Considerable progress has been made in the abatement of drink-driving, but we now aim to achieve similar results with drivers who are impaired through the use of drugs. The prospect of an effective means of detecting and deterring drug-driving will—for the first time—allow a serious enforcement effort against this dangerous behaviour. That is our first priority, which we believe is shared by the police.

It can be just as dangerous for people to drive impaired by alcohol or drugs, and it is currently unbalanced that it is easier to get away with one than the other. We want to give the police the means to identify drug-drivers and allow them to request evidential samples for testing. There needs to be a clear message that drug-drivers are as likely to be caught and punished as drink-drivers.

Our strategy is to focus resources and any legislative changes on measures which will have the most impact in reducing dangerous behaviours. There are therefore two main priorities to continue the successful abatement of drink-driving and achieve similar success against drug-driving;

To give the police effective tools to identify and proceed against drug-drivers;

To streamline the enforcement process for drink and drug driving to relieve pressure on police and other enforcement resources, and enable these to be targeted better.

We have issued a specification to manufacturers for drug testing technology that will be able to be used in police stations. It is for manufacturers to supply, and police forces to obtain, approved devices and put them to use. We are also finalising the additional requirements for type approving such devices for use at the roadside."

At that point, one might add, "About time, too". It continues:

"We will explore the case for introducing an offence of having a specified drug in the body while driving in addition to the current offence of driving while impaired by drugs. An objective measure of whether a drug driving offence has been committed should deliver a significant improvement in the enforcement of drug driving.

This is a complex issue and so we will continue the research and other work that is necessary before any decisions can be made. We cannot at this stage pre-empt that work by describing any additional offence, or give a firm date for its potential introduction. Any proposals will be subject to further consultation, regulatory clearance and other impact assessments in the usual way."

I look forward to hearing from the Minister what further progress the Government have been able to make in this area since that report was issued. Finally, I join my hon. Friend the Member for Christchurch in commending the Bill to the House.

11.23 am

Chris Heaton-Harris (Daventry) (Con): First, I congratulate my hon. Friend the Member for Christchurch (Mr Chope) on pushing this matter as he has in this debate. I know he has a significant long-term interest in the subject and has been frustrated over a long period of time about the lack of movement in securing the appropriate checks for the roadside detection of drug use. That is why I congratulate him and rise to support him as best I can.

I also obviously welcome the brief comments of my hon. Friend the Member for Bury North (Mr Nuttall), who has demonstrated in some detail his considerable knowledge of this area of policy, with its history and accompanying problems. I am also waiting for the debate on my Onshore Wind Turbines (Proximity of Habitation) Bill, in which I shall tilt at windmills. Perhaps we will reach that fourth debate in the fullness of time, although I am not so sure.

I have followed road safety issues for a number of years—ever since, indeed, the sister of one of my closest school friends was killed by a drink-driver just after I left school at the age of 18. I have toured around many a primary school in my constituency to talk about road safety in general terms. This is another side of the coin: it is not just about making people aware of what they should do when they cross the road, but about ensuring that we protect those who use our roads and those who walk beside them.

Most people in the UK see driving under the influence of drugs as a growing problem and a growing mess. It is one of those areas where, as my hon. Friend the Member for Bury North described, the devil is in the detail. We all agree that we want to get rid of this menace; it is a question of having the appropriate method of detection, being able to stand up in court whatever evidence the police have found and then to secure appropriate convictions. That should act as a deterrent to those who might be considering such a course of action.

The public and the press—and, indeed, most hon. Members—would really like to see some action on this matter. We have heard from my hon. Friend the Member for Bury North about all the problems that the detail brings, but we have had a lot of time to think about it. I flicked through some research in preparation for this debate and thought it was interesting to see how past Governments had tackled the issue. There is cross-party agreement on it, so I refuse to make any party political points; there is little distance between the two main parties' positions—or among any of the parties, for that matter.

If we go back to 31 May 2005, we find BBC reports saying:

"Police officers could soon be using special hand-held detectors in a roadside crackdown on drug-driving. The machines would be used to test motorists for recreational drugs or tranquillisers—which can seriously affect them—at the wheel."

We then get to what I guess is the main point:

"The Home Office is expected to release its specifications for a testing device soon",

which we will find is a common theme of the press releases. It continued:

"In December 2004, police were given new powers to carry out roadside impairment tests on drivers they suspected of being under the influence of drugs. Prior to that drivers could choose to take part in the impairment tests, but refusal became an offence in the same way as failure to provide a breath test."

Back then, a company was touting its wares in this field, with a device that it claimed could pick up a number of the problem drugs.

Moving to 10 May 2009—we should note that all these dates seem to be around the time of local or other elections; that is not a criticism of Labour, because we have done the same this year ourselves—we see a newspaper article which states:

"Motorists face roadside drug tests under Government plans."

It is as if it has been lifted from the BBC and rewritten, which is quite odd because normally the BBC lifts its information from other news organisations. This is a report in *The Daily Telegraph*—*[Interruption.]* There is no one from the BBC up there in the Press Gallery; they will watch us later! The article goes on:

"The Government is ready to change the law so that any driver can be prosecuted for getting behind the wheel with any illegal drug in their bloodstream. Officers would be issued with so-called 'drugalyzers' to enable them to screen motorists for a number of substances including cannabis, ecstasy and cocaine. Should the tests prove positive, the driver would be arrested and taken to the police station for a doctor to take a blood sample"—

and so on and so forth in the process outlined by my hon. Friend the Member for Bury North.

It continued:

"The change in the law would bring Britain into line with a number of countries, including Italy, Romania, Croatia and part of Australia, where roadside testing is already in place."

Although discussions had started in 2005, it was not until 2009 that the Home Office was talking to a number of companies about a design that could be used by the police in Britain. The article went on:

"Detailed specifications are expected to be drawn up by the Home Office and Forensic Science Service within the next few months"—

of 2009—

"and roadside tests could become a reality in two to five years."

Two years later, I could turn to yet another press release—but I will not, because Members will guess what it contains.

The public are beginning to get a tiny bit hacked off with politicians. We all know that they are hacked off with us in general—they think that we do not do as much as we should, or as quickly as we should, and that what we do, we do badly. We have great public support for action in this field, and they do not understand why it has taken us so long to move from recognising the problem to having a workable solution out on the streets that helps the police to detect a crime that causes so many accidents.

Mr Chope: I am sure that Members would like to know that only last week *The Sunday Times* had an article headed "Stoned drivers will soon face the 'drugalyser'", supported by comments from the roads Minister. That is the latest episode in this saga.

Chris Heaton-Harris: My hon. Friend is correct: the saga continues. A game of table tennis seems to be going on between the Home Office and the Department for Transport. The public, and I, would like to see some action. Approval should be given for detection devices for use by police officers in testing. They have been developed, and a number of them are in existence. We ought to get our bureaucratic processes sorted out, so that we can have them available for use across the police forces of the United Kingdom.

My hon. Friend the Member for Bury North detailed the Department for Transport's consultation document on road safety compliance back in November 2008. Produced just a handful of years ago, that paper stated:

"We could explore the viability of creating a new offence to target those who drive after taking illegal drugs—those that are controlled by the Misuse of Drugs Act 1971—which can impair a user's ability to drive. The public rightly perceive"—

this had already been spotted—

"users of these drugs who drive as a danger to road safety"

and to everybody on the roads. The public wanted action to protect themselves.

People who drive under the influence of drugs increase the number of accidents on our roads, and they increase the cost of insurance for all those drivers who drive innocently and honestly on our streets. As we have heard, the human cost of the accidents that they cause can be massive.

The Labour party issued a consultation, which my hon. Friend the Member for Bury North detailed, and it asked the right questions and got the right answers. Sir Peter North's consultation was very good and was received well on both sides of the House, although the final report was not published until 16 June 2010. The main recommendations of the North review relating to drug-driving were that police procedures enforcing current drug-driving laws should be improved and that there should be early approval for saliva testing and a device that can do that. Both those recommendations have great cross-party support.

Jacob Rees-Mogg: I agree with my hon. Friend that there is great support for such a measure in broad principle, but is it possible to have a machine before we have clearly set out the limits?

Chris Heaton-Harris: That goes back to the point made by my hon. Friend the Member for Bury North. In England, the law concerns itself with impairment to your ability to drive. You might be impaired three days after you smoked a joint—it is down to the individual. I do not mean you, Mr Deputy Speaker—a member of the public might be impaired.

Jacob Rees-Mogg: I hate to think that we would think it more likely for a member of the public to take drugs than a Member of the House. Surely our electorate do not do such things—not in North East Somerset at any rate.

Chris Heaton-Harris: I am sure that my hon. Friend is completely correct—*[Interruption.]* Let us not go back down that route; I will stick to where I was going.

It is impairment of an individual's ability to drive that we are seeking to identify—there is a line that one might cross, and different individuals' bodies will metabolise drugs, as they do food, in different ways. We have already accepted that with regard to alcohol, so let us make a bold leap. Why not introduce tests for the five main types of recreational drugs—those listed by my hon. Friend the Member for Bury North—that tend to be found in individuals who have caused an accident to which the police are called? This hinges on getting approval for a device, and that is the bureaucratic nonsense behind it all. Having accepted the principle of introducing a level—I would push for a zero level, as in

[Chris Heaton-Harris]

Sweden, because that is much easier for everybody to come to terms with—why should we not bring forward such devices?

In his review, Sir Peter North said:

"The focus should be on public safety".

The protection of our constituents from those who take drugs and then decide it is fine to jump in a car is one reason why we are all interested in this debate. Such drivers might not feel that their ability is impaired, and even if they do, they probably do not care too much for the other individuals concerned. Sir Peter continued:

"Any new offence should therefore focus on establishing levels of drugs in the blood at which significant impairment—and therefore, risk to public safety—can reasonably be assumed, as is the case now for drink-driving."

That is a fairly simple statement. We have accepted levels for alcohol, so let us accept them for some of the more commonly used recreational drugs, and get the type review device approved by the Home Office and out on the streets, adding to the deterrents that we have.

Under schedule 7 of the Railways and Transport Safety Act 2003, the police have the power to conduct roadside drug tests, so there is no problem with that side of the argument. Guidance was issued back in December 2004 on the conduct of the preliminary impairment tests detailed by my hon. Friend the Member for Bury North. There is a host of reasons why we should put more pressure on the Government to get on with this job.

Having had private conversations with the Minister, I think he understands that there is a great deal of anxiety about how long the process has taken. The crime is relatively new, but it is also one of the crimes most on the increase. As my hon. Friends have detailed, the problem is the scientific ability of drug-screening devices to detect what we would like them to identify.

For about a decade, the Home Office has been developing a type approval specification for a "drugalyser" that would help police at the roadside to detect the presence of drugs. The Metropolitan police took part in a trial between January 2001 and January 2002 which, although reasonably successful, was—according to the official phraseology—"hampered" by the fact that testing had to be voluntary at that time.

In their February 2007 review of road safety, the Labour Government stated that the first devices developed to specification could be available at the end of that year, and that the Home Office was already developing a prototype device which could both screen and analyse samples and was likely to be ready in two to three years. In February 2008, the hon. Member for Gedling (Vernon Coaker), then a Minister, told the House that the Home Office's

"Scientific Development Branch... in consultation with the Department for Transport, continues to discuss possible improvements to the field impairment test currently used by the police... continues to investigate a possible impairment measuring device through established contacts working in this area. Opportunities for partnership with a suitable university or other outside agency continue to be sought."—[*Official Report*, 19 February 2008; Vol. 472, c. 582W.]

Clearly there has been no lack of work, and that work has been carried out for a host of years. However, someone sitting in the beautiful village of Flore in my constituency as traffic rattles along a road that desperately needs to be bypassed, and fearing that one night, on one of the bad bends, a person who has had far too much of a good time and used illegal drugs will pile into the side of their house, may feel that, given the length of time for which this deterrent had been talked about, a Government of any colour should have acted much earlier.

As we know, *The Times* reported in 2008 that the Home Office was "preparing to approve" hand-held drug-screening devices, and that

"Philips...announced yesterday that it will start deliveries to police"

early in 2009. I wonder where those deliveries have got to. There is a problem somewhere, and I hope that, in his considered reply, the Minister will tell us how he is trying to unblock the channels that seem to be blocked.

Mr Nuttall: Is my hon. Friend aware of a report that has appeared in the *Daily Mail* in the last few days? Apparently police in Australia are launching trials of a testing system this week, and similar equipment is already in use in Finland and is being tested in Italy.

Chris Heaton-Harris: I was aware of that. It was in one of the press releases that I chose not to read out earlier. It adds to the frustration that people feel, which I hope I have been able to convey to the Minister.

My hon. Friend the Member for Bury North mentioned the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), the road safety Minister. Not long ago, he said:

"Drink and drug driving are serious offences and drivers should be in no doubt that if they are caught behind the wheel under the influence this summer they risk losing their licence as well as facing a fine and even a prison sentence.

We are taking forward measures to make it easier for the police to tackle drink and drug driving and protect law abiding road users including plans for drug testing kits to help detect drug drivers and tightening the law on drink driving."

We would all welcome that, but I have a sneaking suspicion, based on the press reports that I read out earlier, that Ministers have been heard to utter those exact words before. If there is a drug-testing kit that we are happy to put on the streets in the summer, let us arrange for it to be type-approved by the Home Office and supplied throughout the country.

Back in December, the Minister—this Minister, the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire)—said:

"Any equipment for use by the police in this country must be of a type approved by the Secretary of State. Type approval is granted on the basis of compliance with a specification which sets out the detailed requirements a device has to meet and the testing regime which it has to pass to be suitable for use in British operational conditions and within the British legal framework. We hope to issue very shortly the specification for a device for use in a police station and are continuing work towards the specification for a roadside device. It will be for manufacturers to submit for testing and approval any devices which they think meet the specification."—[*Official Report*, 2 December 2010; Vol. 520, c. 1098W.]

Given that we have been waiting for specifications for so many years, can we please get them out quickly? The question of when the devices will be available is of concern to our constituents throughout the country.

I do not wish to condemn a certain section of society too much, but it is possible to see examples of it daily on the Jeremy Kyle show. There is a type of person who is much more at risk of taking drugs and getting into a car without realising what he or she has the potential to do as a result of lack of education, awareness or care. Such people tend to be young, and they tend to be uninsured and untaxed. They tend to be breaking the law simply by getting into their cars, let alone having taken drugs beforehand. They are probably either going to or coming from a location that is known to the police. Obviously such locations do not exist in North East Somerset, and I should of course be stunned and surprised were there any in Northamptonshire. Indeed, such people tend to be known to the police themselves. I am afraid that there are not too many surprises when the police stop them and subsequently find that they have been driving under the influence of drugs, and when their names flash up on the system in connection with an earlier drug-related offence.

I suggest to the Minister that there is a certain group of individuals out there who need to be targeted—not as in police targeting but for education purposes, so that they can come to terms with the fact that in taking an illegal drug and then getting into a car, they are not just already committing a crime but are about to drive a lethal weapon that could potentially kill someone's child. Although this debate is about roadside testing, surely the whole point of it is the need to stop people even being tempted to take drugs before getting into a vehicle, so that none of us have to experience a tragedy in our constituencies or among our friends, as I have in the past and as so many other Members have.

11.48 pm

Stephen McPartland (Stevenage) (Con): I congratulate my hon. Friend the Member for Christchurch (Mr Chope) on securing this important debate and moving the topic of drug-driving higher up the agenda. It is a great pleasure to follow the brief remarks of my hon. Friend the Member for Bury North (Mr Nuttall), and to follow my hon. Friend the Member for Daventry (Chris Heaton-Harris).

Although I agree with many of the principles associated with the Bill, I am unable, for a number of reasons, to agree with the Bill as it is currently worded. Before I go on to detail those reasons, I stress that I am a trustee of a charity in Stevenage called The Living Room, which tries to break the cycle of addiction, specifically drug and alcohol addiction, and the devastating impact that that has on the lives of those who are addicted and, more often than not, their families. In many cases, the involvement of those individuals in criminal activities has a devastating impact on the victims and their families.

Drugs are a huge problem in our society and, as my hon. Friend the Member for Daventry suggested, we must focus more on education, on ensuring that people who enter a world of drugs to escape their current reality recognise that that is not the right path, and on identifying why they take that line.

One of the issues that I have with the Bill is the nature of the offences as detailed. Primary legislation would probably be required for its provisions to be introduced. At present the offence is driving while impaired by drugs or causing death by careless driving while under the influence of drink or drugs. Although a roadside screening device can identify whether someone has drugs in their system, that will not necessarily be a criminal offence. The police need to have reason to believe that the person's driving was impaired by having the drugs in their system.

My hon. Friend the Member for Bury North mentioned some tragic cases that were the result of an individual causing death by careless driving because of drugs. Under the Criminal Justice Act 2003, the penalty was increased to 14 years, so the five years that such an individual would receive under the present law would be increased to 14 years. Section 4 of the 1988 Act stresses the need to show that the person was unfit to drive while under the influence of drugs. My hon. Friend detailed well the Department for Transport's consultation in 2008, which asked for views on the creation of a possible new offence—driving with drugs in one's system. That consultation closed in February 2009 and in December 2010 the Government announced that they would seek further advice from Sir Peter North.

My hon. Friend the Member for Daventry referred to Sir Peter North's response. On the question of a new law setting banned drug levels, Sir Peter stated that the focus should be on public safety. Any new offence should therefore focus on establishing levels of drugs in the blood at which significant impairment and therefore risk to public safety can be reasonably assumed, as is the case now for drink-driving. That brings me back to my concern about the Bill. It would require primary legislation to introduce a new offence of driving while having drugs in the system.

Mr Nuttall: I am not entirely convinced that the Bill seeks to establish a new offence. It calls on the Secretary of State to approve a device for administering the preliminary drug test, which was envisaged in section 6A(1) of the 1988 Act. Will my hon. Friend expand a little on his objections to that?

Stephen McPartland: Indeed. As my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) said, the device used to establish drink-driving, the breathalyser, provides the evidential basis. My concern is that if a drug-screening device is produced in the next 12 months, it will identify whether people have drugs in their system, as opposed to the police stopping someone because they thought his driving was impaired by having drugs in his system. My hon. Friend the Member for Christchurch cited a case in which an individual was prosecuted for crashing his car and received eight weeks in prison for being under the influence of drugs.

As the law stands, if the police stop a driver because they feel that he is driving the vehicle irrationally and is impaired in some way, they have the power to take him back to the police station and test whether he has drugs in his system. Increasing the powers of the police would move us closer towards a police state, as they could stop anybody and test them for drugs, because the drug-screening device would have evidential power, whereas at present only a blood sample is allowed to be used in court.

Hon. Members have given a number of examples—discotheques in North East Somerset, dance clubs where one boogies in Daventry, or dance clubs in Bury North. Statistics show that 76% of young people surveyed

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admitted to having drugs in their system. That brings me to my second objection to the Bill, which is the social aspect. We would not want the police to use a drug-screening device to target younger people leaving such premises to identify whether they had drugs in their system. My concern is the practical one of the device being used in a slightly different way.

Chris Heaton-Harris: I understand my hon. Friend's argument, but surely some existing drug-screening devices are appropriately used—for example, to detect drug use among the prison population. It is a case of horses for courses. If we try to keep ourselves focused on a device that is proven to work for a limited amount of illegal drugs for roadside use by the police, hopefully we can, with debates in the House and pressure on Ministers, maintain it for that use and not have it spread further in ways that might impinge on people's liberty.

Stephen McPartland: I agree with my hon. Friend's sentiments. As I have said, I also agree with many of the sentiments in the Bill. My concern is how it will be applied in practice. My real concern is how individuals will use these devices to target specific sections of society and then use that evidence to say that people are under the influence of drugs.

Mr Chope: The Bill would not introduce random testing. At the moment we do not allow random breath testing for alcohol and the Bill would not allow random testing for drugs. It would allow testing where the motorist has either been seen to be committing a road traffic offence, or been driving in a way that has caused the police to believe that he might be driving under the influence of drugs or alcohol.

Stephen McPartland: My hon. Friend makes an important point. I agree with much of what he says, but the key point is that the police can already tell such individuals that they believe they are under the influence of drugs and will test them at the police station. I am not sure many police officers in Hertfordshire would be keen to allow an individual to get back into a vehicle and continue driving if they felt that the individual was sufficiently impaired to stop and question them in the first place. In nine cases out of 10 they would no doubt take them back to the police station and test them.

There is also the issue of costs and road safety. The previous Government and this Government have done a lot to highlight road safety. A number of excellent charities such as Brake are doing everything they can to ensure that people are educated in improving road safety and, for example, are made more aware of the fact that if people drive at 20 mph in a residential area instead of 30 mph, small children will be less likely to be killed. A lot of work has gone into that and I would refute the suggestion that the reason for the delay by parties on both side of the House was cost. The real reason, as the previous Government concluded, is that none of the previous devices have been considered sufficiently reliable to be used for roadside testing.

My hon. Friend the Member for Daventry spoke about specifications, and the Bill seeks to introduce the specification in the next 12 months. If the previous Government concluded that none of the specific kit out there is sufficiently reliable, I am not sure that we should simply say that one of those pieces of equipment should be taken on board within the next 12 months. My fear is that, as my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) mentioned on more than one occasion, that would endanger innocent people, and delay may not be the result of bureaucracy but of ensuring—

Mr Nuttall: All that the courts have to go on at the moment are roadside tests that make people walk back and forth and stand on one leg. Does my hon. Friend agree that they might welcome being able to look at scientific evidence produced by one of these devices?

Stephen McPartland: I hope that the Minister will respond to that point, and that the scientific evidence for the devices is being considered. Some of the statistics and evidence we have heard today do not provide any reliable comparisons, and we need to look at this further. I agree with the concept and know that we are all frustrated that we are not moving fast enough, but I am concerned that if people felt they were being wrongly prosecuted it would be open to judicial review and would drag on an awful lot longer. If we get the specification right to begin with, the process will move on much faster and further, and in practice rather than in theory.

It has taken such an unreasonably long time for the specification for a device to be approved because it has to be very detailed and precise, and no doubt one problem will be that the Government will want it to adhere to a specific rationale and the manufacturers will want it to be commercially viable, so there is that tension. Will the Minister invite manufacturers to propose specifications so that devices can be tested scientifically, as my hon. Friend the Member for Bury North has suggested? Is the specification unrealistically demanding? I do not think that any specification is unrealistically demanding if it prevents innocent people from being prosecuted unnecessarily, which is a key issue. We have to do what is right to ensure that innocent people are allowed to carry on with their lives and are not caught up in this process.

That brings me to a point about medication. I am not a scientist and so am unaware of how much theory, evidence and scientific support there is for the device. I can only identify the number of drugs that might be tested for—I cannot repeat their names, as my hon. Friend the Member for Bury North did so eloquently, no doubt challenging the *Hansard* reporters to spell them correctly. I am not sure whether medication would be picked up by the devices in the same way as some illegal drugs would be. Some people who take medicine prescribed by their doctor for health reasons could be accused of taking illegal drugs and, as a result, taken down to the police station and prosecuted. All that rigmarole will have a huge impact on their lives simply because they are taking medication. It is really important that the drug-screening device, which I fully support, does the right job at the right time and that we ensure that we stop people who are under the influence of illegal drugs.

Finally, I feel that the delay is of paramount importance to protect innocent people who are taking medication. We do not want the drug-screening device to be used to stop and search people. It is very important that those

who are considered to be driving under the influence of drugs are prosecuted in exactly the same way as they are at present. Although I fully support the actual intention of the Bill, I cannot support it at the moment because of its current wording and its instruction to the Government to agree on a device within the next 12 months.

12.4 pm

Jacob Rees-Mogg (North East Somerset) (Con): I almost entirely agree with my hon. Friend the Member for Stevenage (Stephen McPartland), who put absolutely clearly and rightly his point that most people want this desperately serious issue to be dealt with fairly and forcefully. There is undoubtedly a scourge in the country of people taking illegal substances and then doing unwise things, which include driving cars, but, although we are talking about cars, we need also to talk about carts and horses, because with this Bill the cart is being put in front of the horse, for one very obvious and clear reason: we have the test, but we have not set the limits that apply.

We have heard learnedly from my hon. Friend the Member for Bury North (Mr Nuttall) about nanograms, a term that I had not previously been particularly familiar with, but if we are dealing with nanograms of substances in people's blood we need to say whether a nanogram is a legal or illegal nanogram when we test it, because if we have not established that, we will not know what the benchmark is; hence the cart is in front of the horse.

In that context, a great deal more work needs to be done, because, as has been widely discussed, there are varying views on what level of substance in somebody's blood could impair their driving and, indeed, what combination of substances could impair or unimpair their driving. Earlier, we discussed the person—the youth perhaps, or the dangerous driver—who was calmed by taking cannabis. But then he might have had a cup of coffee to pep him up, so how are we going to balance those substances in one little drop of spittle, which I must say is not an ideal way for the police to go around collecting samples?

I feel rather sorry for the officer on duty at the roadside who stops somebody driving in zig-zags and not absolutely on the straight and narrow and then has to get him to spit. I feel sympathy for the enforcers of law and order, given that we cannot find a better roadside test than one based on spittle. We need to be clear, as we are with alcohol, however, about the amount that is allowed before we can make the test effective.

If I have misunderstood this point, I hope that somebody will intervene on me to explain it more clearly, but the current law states that one has to be shown to be impaired, hence the roadside tests, the standing on one leg and all that, because the police can turn up in court and say, "Mr Bloggins couldn't stand with one leg 8 inches from the ground for more than 30 seconds while counting up to 100," or whatever the test is. That is evidence either that he is a poor unbalanced man anyway, or that he has taken illegal substances and that conclusion might be backed up by a blood test taken at the station, showing that an offence of operating a motor car when under the influence of drugs has been committed.

First, let us be absolutely clear: we have not set the benchmarks, so the test does not test anything particularly evidential. Secondly, however, there is the point, which my hon. Friend the Member for Bury North again made so wisely and rightly, about drugs themselves and what is legal and illegal. *[Interruption.]* Does my hon. Friend want to intervene? He looks as if he is about to spring from his perch, coiled as he is.

Mr Nuttall: I wish merely to comment on my hon. Friend's previous point about what the offence is. He is quite right that it is not an offence merely to have drugs in one's body, because that is not what the 1988 Act states. It states:

> "A person who, when driving or attempting to drive a mechanically propelled vehicle on a road or other public place, is unfit to drive through drink or drugs is guilty of an offence."

The difficulty facing the court is in determining, first, whether the person was unfit to drive and, secondly, whether it was as a result of drink or, in this case, drugs.

Jacob Rees-Mogg: My hon. Friend, in his opening remarks, put it extremely clearly that the courts should determine these matters, but I do not agree. The courts should not determine the levels. They can determine the individual case. They can say, "Yes, we accept what the police are saying, yes we accept that that person was unable to hold his leg 6½ inches off the ground for two hours"—or whatever it is—"and that therefore he was affected by drugs." However, it would not be right for the courts to establish the broad principle that 1 nanogram of some substance was the limit, or 2 nanograms. I could keep counting up to one full gram; on another occasion, Mr Deputy Speaker, I may find it advisable to do so, but not today. This should be decided by Parliament, because that is what we are here for—to determine the principles that are then applied by the courts.

I worry when we give either too little or too much discretion to the courts, because it depends so much on the area that is covered. When it comes to the appropriate sentence, we should set the maximum, and possibly the minimum, but we do not want to set the finer details. With quantities of drugs, likewise, we want to set the minimum and the maximum for legality, but we do not want the judges to develop their own precedent that gives them a power that rightly belongs to Parliament. That is why the Government are right to consider this. I have not suddenly decided that I am in favour of bureaucratic dithering, because it is not bureaucratic dithering; it is a right understanding of the very difficult issues that exist.

I move on to the question of what is legal and what is illegal. I thought of quoting Coleridge:

> "In Xanadu did Kubla Khan a stately pleasure-dome decree".

That was written under the influence of what would now be an illegal substance. Coleridge had been taking opium for some time beforehand, and he wrote out his poem until interrupted by a gentleman from Porlock, which is notably in the county of Somerset. Taking opium was perfectly legal at the time. He was not committing any offence by doing so, nor are some people today who are prescribed opiates for the relief of pain. If somebody is prescribed an opiate for the relief of pain and is driving perfectly well, is it conceivably reasonable to say to them, "We've found a nanogram of this substance in you and therefore you've committed an offence and must be banned from driving for a year"? It is not the same with alcohol, because very few people absolutely need to take alcohol. That is not

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entirely true, as I knew a man who was prescribed gin and tonic by his doctor towards the end of his life, but that was for more complex reasons than as a curative—I think it was more of a palliative. Some people need these serious and otherwise illegal drugs for good and proper medical reasons, and therefore a blanket test could be a very unfair and unjust way with dealing with them. That is why the Government are right to consider this thoroughly and properly so that ultimately we can not only set the limits but differentiate as regards where the limits ought to be set and what we are trying to include and to exclude.

Beyond the drugs that are illegal in certain circumstances and legal in others, there are the drugs that are always legal but can, in certain quantities, create an impairment. That leads to a balance of advantages. Lots of people suffer from hay fever, for example. If someone is driving along and has a fit of the sneezes, that is quite dangerous, as they could drive into a ditch, or something worse. If they take a more old-fashioned type of antihistamine, they may find that it makes them feel a little sleepy if they have that type of reaction to antihistamines. Are we suddenly going to say that someone who takes an antihistamine cannot drive because it is better that people should have a fit of the sneezes? Would it show up in the test anyway?

The broad problem that, I am afraid, often comes up on Friday mornings is that the laws that we look to pass are about motherhood and apple pie. They are saying, for example, "The world is simple and it's all very straightforward—we'll have a nice test, and bingo, we've got the drug dealers and the drug users off the roads." But it is not quite like that; the situation is much more complex and nuanced, regarding not only the levels but the legality and the illegality, and then some of the broader general principles.

I want to return to the piece in the *Daily Mail* on coffee earlier this week. I was astonished to read that anybody who has five cups of coffee a day is likely to hallucinate. I should think that I have had at least five cups of coffee every day since I was a young teenager, and I have never, to my knowledge, hallucinated; it may be that one does not notice these effects. I would be very reluctant to see the Government introduce some hand-held device to test Members of Parliament as they drive out of New Palace Yard to see whether they have too much caffeine in their system. After some of our sittings that last until 4 in the morning, quite a lot of Members have a lot of caffeine in their system, not to mention some who might have other things in their system. I would not think it right for the police officers on duty to ask us to spit at them, as I mentioned earlier, which would be most unpleasant and improper. There are real issues and difficulties in how we deal with legal and illegal drugs, and the measuring of them.

There is also the general principle. I have a certain sympathy with the US constitution, and the fifth amendment in particular, which allows people not to incriminate themselves. We have made an exception for drink-driving. The motorist, oddly, is the one person in British life who is not protected from the general principle of non-self-incrimination. The motorist who does not reply to a speeding ticket is guilty of an offence and therefore incriminates himself, and occasionally members of his family. There are obvious questions over the breathalyser, because a failure to provide a sample without good reason is an offence and one incriminates oneself by failing to give one. Already with drug-driving, as I have said, it is an offence to refuse to stand on one leg for the specified time with the other leg a specified number of inches from the ground. That ought to worry us constitutionally.

Chris Heaton-Harris: I thank my hon. Friend for giving way. I know that it is unwise to interrupt his flow of words, eloquent and beautiful as it is, and especially so after five cups of coffee on a Friday morning. There is another group of individuals in the position that he has detailed. Sportsmen and athletes have to report in about where they will be going in hourly or three-hourly segments—I cannot remember which—and they have random drug tests. This is not just something that is proposed in the Bill; we accept the concept that drug testing should be allowed in some circumstances. Surely when a person is pulled over for a road traffic offence and the police suspect that they have been taking drugs, the police should be equipped with a device so that they can test the person there and then.

Jacob Rees-Mogg: I think that my hon. Friend's point is slightly disconnected, because belonging to a voluntary body, the rules of which state that one must subject oneself to a test, is very different from Her Majesty's Government and Parliament, through legislation, taking away one's right not to self-incriminate. One does not have to be an athlete—I never could be anyway. It is not compulsory to be a runner or a jumper. It ought to be compulsory to be a cricketer, but sadly it is not. However, if the Government get involved, one may commit an offence by going about one's ordinary daily life and that is a higher degree of intrusion. The same point applies to the earlier intervention about the Home Office testing the people who work for it with these machines.

Thomas Docherty (Dunfermline and West Fife) (Lab): Where the hon. Member for Daventry (Chris Heaton-Harris) is slightly wrong is that a sportsman who does not take a drug test does not commit a criminal offence, although he may be banned by his sport. However, I understand that it is a criminal offence for airline pilots and crew not to give samples when required by the aviation authorities. Is not the bar set so much higher for airline pilots and drivers because they are responsible for other people's lives?

Jacob Rees-Mogg: I do not disagree with the hon. Gentleman. I was merely making the point that this is something that we should be concerned about, and that we should be aware of what we are doing. The fifth amendment in the United States gives a clear protection. Our constitutional system does not have such clear protections. It is therefore quite easy for Parliament to eat into them and gnaw away at them slowly, sometimes without really thinking. Once we have done it for drink-driving, we say, "Well, why don't we do it for driving on drugs?" We then say, "Well, drugs are illegal anyway, so why not just test the whole population and see whether they are committing a criminal offence?" That might not be hugely popular in all our constituencies.

Mr Chope: My hon. Friend refers to the fifth amendment, but he will be aware that there is statute law in the United States stating that there is implied consent on the part of every driver of a motor vehicle. By taking out a driving licence, they are not covered by the fifth amendment, because by implied consent in law they agree to be subject to a test if the police suspect that they have an illegal substance in their body while driving. I am not sure that he is comparing like with like, because a similar statutory regime exists in the United States notwithstanding the fifth amendment.

Jacob Rees-Mogg: My hon. Friend's intervention is extremely helpful, but we can see how clear America is about understanding the process that is followed, and about what it is doing in relation to people's constitutional rights. That is what I am highlighting.

If we do what is suggested in the Bill, we have to be aware of the very important principle that is, to some extent, being undermined. It is not necessarily disproportionate to do it, and it may be absolutely essential—I would not begin to say that we should not have the breathalyser and the assumption that if someone refuses a test, they have probably committed an offence anyway. I do not think that is disproportionate, but it is important to be aware of the risk that we are taking with our constitution, and we must ensure that we are very careful if we ever take the idea further. The next time an hon. Member introduces a private Member's Bill that would do something that looks very good and would improve society, we must consider whether we are doing anything to the constitution that we should be very careful about.

That is another reason for supporting Her Majesty's Government in this particular area. They are right to be slow and deliberative. The worst thing to do would be to get some fancy bit of kit introduced—made by Philips, as I think was suggested earlier, or perhaps by Samsung Electronics—that comes in, absolutely whizzo, and tests for all drugs but one, or takes just one reading. This "nanogram" thing really makes me suspicious, because it must be easy to find a nanogram from somewhere if that is what one wants to do, or for a nanogram to be stuck in the machine from the last person, who might have come from Gloucestershire. The police might cross over into Somerset, and then some good Somerset fellow would spit on this thing and find himself caught out by a Gloucestershire nanogram. I am very concerned about Gloucestershire nanograms.

I urge Her Majesty's Government to be very careful about the testing of the machines, and to ensure that they really do what they are said to do. That is the other great point of complexity. When a Labour Transport Minister, one Barbara Castle, introduced the breathalyser in the late 1960s, it was simply a few crystals that changed colour if somebody was over the limit, and they then went for a test. The machines have obviously become much more sophisticated, but they are testing for one thing and one thing only. They are not about finding out whether someone has had five cups of coffee, or whether they have been in one of those dance clubs that we were hearing about earlier, where 76% of people have taken drugs. I must say, I was shocked by that. We have tea dances in Somerset, where I do not think such things take place. The machine that we have is accurate and accepted, but the machines that are yet to come in may be given increasing evidential value despite testing for so many things and being at greater risk of getting things wrong. The Government really need to be, and clearly are being, very cautious.

We have heard a lot of comparisons with Australia. It is not always the model for the United Kingdom to follow, although it sometimes is. In its drink-driving laws, it has accepted random testing for a very long time, because it felt that it had a very serious problem. We have never accepted that. Australia may feel, in its circumstances, that having something relatively untested is necessary in the light of the problems that it has faced.

I am sorry to say that I will not go on with such eloquence and at such length as my hon. Friend the Member for Bury North. I am full of admiration for him, and I wish that I could do so. I wish to conclude with some key points that we have to remember. First, I hope that the Minister will ensure that we put the cart behind the horse—we have to get things the right way around—by establishing the levels that make a substance legal or illegal. Secondly, we must look at the question of somebody using a prescribed drug that in other circumstances is illegal. Will we simply ban them from driving whenever they go through that course of treatment? If we take the zero-reading approach that an hon. Friend suggested, we would do so. Thirdly, we must always bear in mind the deep constitutional principle of non-self-incrimination. We may accept that it can be overridden, but at least we would know what we were doing. Fourthly, we must consider the quality of the machine, and ask whether it will really work. Finally, we must keep the process in the hands of Parliament and not delegate these nanograms to judges. Noble, lordly and wise as they are, we need to make the law, so that they can enforce it.

12.25 pm

Andrew Bingham (High Peak) (Con): I have listened with great interest to today's debate, and I broadly support the idea of drug testing. As we have heard, drug use is now more prevalent. We may be in a similar situation to that in 1967, when Barbara Castle introduced drink-driving tests. I support the principle, but as other hon. Members have outlined, there are a few queries and wrinkles that get in the way of the Bill at the moment.

I asked my hon. Friend the Member for Christchurch (Mr Chope) in an intervention about passive drug taking, which might be prevalent in the clubs about which we have heard a lot—I have not visited them, but I am perhaps too old for that sort of thing nowadays. Even so, if people are in an arena where others are taking cannabis, will they inhale the fumes and then be tripped up by a drugs test because of that passive intake?

I realise that performance-enhancing drugs are not illegal, but in 1988, when Ben Johnson fell foul of a drugs test at the Seoul Olympics, Linford Christie, who was initially a bronze medallist, was also tested. After much thinking about whether his test was positive, it was thankfully found to be negative, and he was duly elevated to the silver medal position. The problem was that he had had a cup of ginseng tea. As far as I am aware, ginseng tea is not a performance-enhancing drug, but it created an anomaly. It is alleged in today's newspapers

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that Kolo Touré, the Manchester City footballer who is currently serving a ban for taking a performance-enhancing or other drug, had taken a water tablet. Those are queries and anomalies with drug testing. As I said, those are not illegal substances, but the problems with tests for illegal substances could be similar. Will such tests produce rogue readings? That needs to be ironed out.

As we have already heard, there is a problem with caffeine in coffee, and as my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) mentioned tea dances, I should say that there is also caffeine in tea. He could find that the good burghers of North East Somerset end up cluttering up the cells on their return from a tea dance because they have taken too much Typhoo or Brooke Bond.

I have been in the Chamber for the most of the debate—I left it only briefly—but I am unsure whether the issue of thresholds has been addressed. We are talking about illegal substances. If any such substance is found in a test, will someone then be taken away for a more detailed test? Is my hon. Friend the Member for Christchurch proposing a threshold, as there is with alcohol, of which people are allowed a certain amount? Does any amount of an illegal substance mean that a person will fall foul of the law?

My hon. Friend the Member for Bury North (Mr Nuttall) has told me of a drug- driving incident in Cambridge—not Gloucestershire, my hon. Friend the Member for North East Somerset will be pleased to hear—and it bears repeating. The *Cambridge News* reported:

"A drug driver who led police on a seven-mile chase around Cambridge at speeds of up to 80 mph has been spared jail."

He

"overtook on blind corners and ignored red lights as he tried to shake off officers in the early hours of the morning."

The deployment of a stinger device did not stop him despite puncturing his tyre. The report goes on to say that the gentleman

"had taken cannabis and mephedrone, before he was eventually arrested in Great Shelford. He pleaded not guilty to dangerous driving and cannabis possession, denying that he was the driver, but was convicted...and...given a nine-month"

suspended sentence.

He was told by the recorder:

"'You were driving very fast, you overtook on blind corners, and you ignored a number of red traffic lights. It was...a miracle nobody was killed or injured.'"

We were hearing such stories 10 or 20 years ago to do with alcohol and drink-driving, but the world has moved on, and we now hear a lot about the prevalence of drugs and drug taking. Are we now in a position with drug-driving that we were with drink-driving many years ago?

We should urge the Government to take action as quickly as possible. However, for reasons that have been eloquently dilated upon today, I still have concerns about the mixture and the substances. I remember somebody saying many years ago, "Would you be done for drink-driving if you had had too many portions of sherry trifle?" We are now talking about illegal substances, which someone might have ingested unwittingly, and they could be criminalised for doing so. I support the idea in principle, and I think that we should move quickly, but let us not rush head over heels and make a mistake, and end up criminalising people on their way from a perfectly harmless tea dance in North East Somerset.

12.31 pm

Clive Efford (Eltham) (Lab): I echo the words of the hon. Member for Christchurch (Mr Chope) in beginning the debate. I am sure that he spoke for the whole House when he wished the Duke of Edinburgh a happy 90th birthday.

I congratulate the hon. Gentleman on introducing yet another Bill on a Friday, and on enabling the House to debate this important topic. The contributions of Government Members demonstrated the dilemma facing the Government in dealing with this problem. The hon. Member for Bury North (Mr Nuttall) actually put forward both sides of the argument—for and against rushing to introduce roadside drug testing, and on the problems that the technology presents. We welcome in principle what the hon. Member for Christchurch is seeking to achieve with this Bill, but I wonder whether it has been superseded by the attempts of previous Governments and this Government to achieve the same thing. On 4 June, the *Daily Mail* reported that the Home Office had indicated its intention to introduce laws paving the way for drug tests, and that those will be put before Parliament at the earliest opportunity—possibly later this year.

I noted the concerns expressed by the hon. Member for Christchurch about why the Government might be dragging their feet, but I ask him to reflect on what he said. I am sure that we all agree that this is a serious problem, and we all want action taken as soon as possible to deter people from driving while under the influence of drugs, but he suggested that the Home Office had an ulterior motive for delaying introduction. It is not my place to stand at this Dispatch Box and defend the Government, but I do not think that anyone would stand in the way of preventing serious accidents caused by people under the influence of drugs. Were there a technological solution, any Government, regardless of persuasion, would want it introduced without delay. I ask him to reflect on that point when deciding whether to press the Bill to a vote at the end of the debate.

As early as 2001, the Transport Research Laboratory published a report on the incidence of drugs and alcohol in road accidents. It conducted a study of 1,884 incidents in which people were killed on our roads, and found that 20.9% of drivers and 20.3% of riders had "impairing drugs" in their blood, which represented a threefold increase on figures for the mid-1980s. A drug-driving test system has been in development for a number of years, and has, I believe, been installed in about 170 police stations. I understand that trials of a hand-held device will continue before the roll-out, which highlights the problem that successive Governments have faced in trying to deal with the issue. Several attempts have been made to develop a device that can detect the presence of illegal or performance-limiting drugs in drivers—whose ability to drive may thereby be impaired—and that has led to several false starts. The hon. Member for Daventry (Chris Heaton-Harris) referred to several press releases that perhaps wrongly gave the impression that the roll-out was imminent, when we are in fact still in the testing phase.

As the contribution from the hon. Member for Stevenage (Stephen McPartland) and the amusing but insightful contribution from the hon. Member for North East Somerset (Jacob Rees-Mogg) demonstrated, testing people for the presence of such drugs is not a simple matter. There are sometimes reasons why drugs will be present in the blood—or the saliva, even—of people stopped at the roadside. What has proven difficult is determining whether the nanogram of the substance in question is a legal nanogram or an illegal nanogram. That brings us back to the point made by the hon. Member for Daventry. Should the limit for illegal substances present in the blood of somebody who has been tested be zero, or should we set a legal limit, because we recognise that, as the hon. Member for North East Somerset pointed out—the hon. Member for Stevenage made a similar point—some people may be prescribed drugs that contain opiates or other normally illegal substances? That is the dilemma that has confronted successive Governments, including the current Government.

We have quite rightly placed an emphasis on tackling drink-driving and punishing those who do it; around 70,000 people are caught each year. There is evidence—and certainly anecdotal evidence that I am aware of—that young people today are extremely aware of the dangers of drink-driving and take steps to avoid it, such as by designating one of their friends as somebody who will drive but not drink when they go out for an evening. I see lots of evidence of many young people taking a responsible approach in that regard. However, there is also evidence that they might not take the same approach to the effects of the drugs that they may take from time to time—perhaps when they are out in the discotheques of places other than North East Somerset—or that they might not understand the danger in which they are placing themselves and others while driving under the influence of such drugs.

In 2009, the last Government had a drive—pardon the pun—to educate people, and particularly young people, about the dangers of taking drugs and driving. They also introduced the new FIT test—the field impairment test, to which the hon. Member for Bury North referred—to determine whether people were incapable or impaired, and should therefore not be driving. The test took various forms, which he described, one of which was for the driver to close their eyes, put their head back and attempt to place their finger on their nose. We would all agree that, if there is a technological equivalent to that, we would want it introduced.

Previous Governments—and, I am sure, this Government—have recognised that driving while under the influence of drugs is a problem. As many hon. Members have said, other countries have introduced roadside testing, not least Australia, Croatia, Italy and Romania, among others. It will be interesting to see whether the Government will think that the implementation of roadside testing in those countries gives us any guidance towards taking that step ourselves.

We welcome the fact that the technology is being developed in the UK, as the hon. Member for Christchurch said. Cozart Bioscience, based in Oxford, is developing the device, and Concateno is manufacturing it. One of the board members at Cozart Bioscience, Dr Chris Hand, has made some bold claims for the device. If he is correct, I am sure that we can look forward to its introduction up and down the country. He stated:

> "Historically, the argument against such devices has been that the technology is not available. That is no longer true. We can adapt it to meet specific requirements of legislation."

I shall be interested to hear whether the Minister agrees with Dr Hand, and whether the Government intend to introduce the equipment soon.

When the Conservatives were in opposition, their then transport spokesperson, the hon. Member for Scarborough and Whitby (Mr Goodwill), said that he was satisfied that sufficiently developed technology was available for the process to be rolled out. Speaking about the police, he said:

> "They are not being given the tools to catch these dangerous drivers. The Conservatives would change the law so the police could use a drugalyzer for roadside testing as they currently can with a breathalyzer. The Government say that the technology isn't ready but it is already being used in countries like Australia."

Perhaps the Minister will tell us whether that is also his view, and whether, as the *Daily Mail* suggested on 4 June, we can now expect legislation from the Home Office to enable a roll-out of this equipment?

I congratulate the hon. Member for Christchurch on allowing us to have this important debate. Whether the Bill goes through or not, it is clearly playing an important part in our scrutiny of what the Government are doing in this area. I look forward to hearing the Minister's response.

12.43 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I should like to join other hon. Members in congratulating His Royal Highness the Duke of Edinburgh on his 90th birthday today. He has been a great servant of our country over an extended period, and we all wish him well today.

I commend the commitment of my hon. Friend the Member for Christchurch (Mr Chope) to the cause of road safety. He said that he had had a genuine interest in these matters for a long time—in fact, since he was a Minister with responsibility for road safety. I understand his commitment to the underlying issues, and his view that we need to treat the matter extremely carefully. We have heard today about the appalling tragedies that can arise as a consequence of drug-impaired driving. I also understand his reasons for introducing the Bill. However, I do not think that it is necessary, or the best way to proceed, and I hope that I will be able to persuade him and the House of that.

This has been a good debate on the important issue of drug testing and road safety. The debate has been good natured and there is a great deal of agreement across the House. I greatly welcome the comments of the hon. Member for Eltham (Clive Efford), speaking for the Opposition and recognising some of the challenges and complexities that have developed over time.

It has also been a humorous debate in many ways, drawing together references to druids and Coleridge. Although we have had lots of references to impairment in the debate, there has been no impairment in the contributions, although I could not see from my place on the Front Bench whether my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) was delivering his speech while standing on one leg. I think I can safely

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say, however, that if my hon. Friend the Member for Bury North (Mr Nuttall) had attempted to do that, he would probably have required some medical attention, as it would have been quite a feat.

It has also been a full and well-informed debate. I pay tribute to my hon. Friend the Member for Christchurch for bringing this matter to our attention through his Bill. I certainly understand the frustration that he and other Members have underlined in respect of equipment for drug testing—whether at the roadside or in police stations—being brought forward. I will explain the steps that the Government have taken and where we are now in making progress on the issue.

It would be remiss of me not to underline the huge tragedies that these incidents can bring—the very personal cases that Members have brought to our attention today. We need to view the issue in that broader context. I think it was my hon. Friend the Member for Bury North—and also my hon. Friend the Member for Daventry (Chris Heaton-Harris)—who highlighted the impact of these incidents on young people. I can certainly think of many good local projects that involve working with young people to highlight the dangers of drug-driving and drink-driving and the importance of responsible driving, by which I mean not driving too fast, in the knowledge that young lives have literally been cut short as a consequence of some of these appalling incidents.

Drawing together the work of the medical profession, Highways Agency staff who keep our highways safe and the police, it is possible to go into schools and focus on prevention through hard-hitting messages. I have sat through some hard-hitting presentations myself and know that the victims of incidents are sometimes involved, which can make for powerful road safety messages for our young people and help to prevent these appalling tragedies. The breadth of our debate has been useful in that context.

Chris Heaton-Harris: My hon. Friend is quite right to highlight the organisations that tour around the country, teaching young people road safety and, indeed, the impact and consequences in the justice system of breaking the law. Has he heard of the "Prison? Me? No Way!" scheme? It involves crashing a car in school and calling the emergency services to cut people out; the magistrates sometimes come in to go through the legal process and prison guards may be on site, turning the classroom into a prison. It takes school kids through the whole thing. It is a fantastic scheme that has gone ahead in the whole of Northamptonshire and many midlands schools. It is exactly the sort of thing that improves people's knowledge in this regard.

James Brokenshire: I am not aware of that specific scheme that operates in Northamptonshire and the midlands, but I am familiar with a number of innovative locally developed programmes that bring various agencies and organisations together to send out preventive messages about drug-driving, drink-driving and speed. I remember spending an afternoon watching one of those presentations and seeing some of the hard-hitting images. I saw a victim in a wheelchair and the lifelong impact that being involved in a road accident had had on him. The impact that that real-life context had on the young people who received that presentation was palpable. To get across road safety messages to young people, we should look at the broader context and underline the real-life consequences of thoughtlessness in relation to those who might be in the car or vehicle with them on the road.

Clearly, road deaths are a tragedy, and road traffic collisions are the leading cause of death for young adults aged 15 to 24. They account for more than a quarter of deaths in the 15 to 19 age group. Injuries caused in such collisions lead to suffering and distress, and can result in a serious lessening in quality of life. It is not only the victims who suffer, but their partners, children, families, friends and all those associated with them.

There is also a serious detrimental impact on the emergency services, on health costs, on economic output, and on the roads. It is estimated that preventing all collisions could benefit the economy by £16 billion a year. Insurance payouts for motoring claims alone are now more than £12 billion a year. That is why I say clearly to my hon. Friend the Member for Christchurch, who implied that there was a financial reason why measures had not been advanced more speedily, that that is absolutely not the case. Given the costs to society arising from such incidents, we need to move forward as quickly as possible to deliver on road safety and drug-driving. As the many contributions to the debate have highlighted, there are levels of complexity, and there are issues that need care and attention. Even so, we should get on with this and ensure that the relevant "drugalysers" are available in police stations and, thereafter, on our roads. There are, however, some complex issues and dilemmas in relation to how that will fit into the context of the existing law and in relation to appropriate changes to the law to make arrangements more robust.

Road deaths are not all a result of drug-driving—we do not know the level of drug-driving. A survey of a sample of victims of fatal road crashes between 1996 and 2000 showed traces of drugs in 18% of drivers—six times more than a survey 10 years earlier. Hon. Members who read their newspapers this morning may have read a survey by the insurer Direct Line, which highlights the potential scale of the problem. We are in no doubt about the seriousness of the issue and the need for it to be addressed effectively and appropriately.

Nevertheless, we can say that more than half of road deaths are associated with one or more of the following: driving while impaired by drugs; drink-driving; speeding; careless or dangerous driving; and driving while distracted and not wearing a seat belt. Drug-driving is a serious problem that we as a Government must address. We will address all bad driving behaviour, not just speeding, as sometimes appeared to happen in the recent past. Drug-driving, like drink-driving, is something to which we want to give particular attention.

As has been mentioned by my hon. Friend the Member for Bury North and others, we set out our plans in the Government response to Sir Peter North's report on drink and drug-driving law and to the related recommendations of the Transport Committee. Last month they were included in the Department for Transport's new strategic framework for road safety. We agree, in principle, with the main thrust of the 23 recommendations in the North report. The steps recommended are

"to approve preliminary testing equipment which can be procured by police forces for use initially in police stations, and later at the roadside; to implement other measures to make the law against

drug-driving work more effectively; to continue research into equipment which could be approved for the police to test for these substances; on the basis of this work, to examine the case for a new specific offence—alongside the existing one—which would relieve the need for the police to prove impairment case-by-case where a specified drug had been detected."

The report proposed that

"priority should be given to type approval for, and supply to police stations of, preliminary drug testing devices... type approval ought in the first instance to focus on devices capable of detection of those drugs or categories of drugs which are the most prevalent, including amongst drivers, recognising that more than one device may be needed to cover the whole range."

There has been discussion of both the nature of the drugs involved and the interrelationship between different drugs. Drugs are often not taken in isolation. They may be taken along with other substances, including other drugs. The concept of polysubstance, or multiple-substance, drug abuse is well known. The science and technology that can provide meaningful, reliable readings in the context of different substances taken together are not entirely straightforward. The need to assure those in the criminal justice system and those who may be required to take tests that neither false positives nor false negatives are being created, with all the consequences that that may involve, has informed the careful approach that has been taken.

Our priority is to deter people from driving when impaired by a drug, and to ensure that those who persist in such dangerous behaviour are detected and punished effectively. Considerable progress has been made in reducing the level of drink-driving, but drug-driving can clearly be just as dangerous, which is why we are anxious to do more work in that regard.

I noted the discussion between my hon. Friends the Members for Stevenage (Stephen McPartland) and for Bury North about the need for clarity on the provisions of the current law. Under section 4 of the Road Traffic Act 1988, it is illegal to drive, attempt to drive or be in charge of a mechanically propelled vehicle when unfit to drive through drink or drugs, whether legal or illegal. The offence is to be unfit, not simply to have a drug in the body. "Unfit" in this context means having, for the time being, an impaired ability to drive properly. Section 6 empowers the police, subject to certain conditions, to conduct at the roadside or at a police station compulsory preliminary or screening tests for impairment and the presence of a drug. If a preliminary test is positive, the police can immediately require the suspect to take a blood test. In the absence of a positive preliminary test, a blood test can only be authorised by a doctor.

While I think it right to engage in broader discussion of whether the law itself should be changed, the availability of equipment enabling the initial test to be conducted can itself make a difference in speeding up the process because the authorisation of a doctor is not required at that stage, thus ensuring that the process can be conducted more efficiently.

I want to clarify the fact that only the evidence from a blood test can be used in a prosecution to support a constable's opinion that a person was driving while impaired by a drug. People might think that simply having a drug in one's system creates the offence, but it is attempting to drive while unfit that creates the substantive offence.

The hon. Member for Eltham and my hon. Friend the Member for North East Somerset referred to the field impairment test, which can be persuasive in demonstrating impairment when presented in court, but other evidence can be provided. It is not essential that the impairment test is failed. Other factors can be presented to the court, and ultimately it is for the court to determine, on all the evidence, whether the driving was impaired and whether the person was driving while unfit through drink or drugs. The various elements fit together.

The police can already take a suspected drug-driver to a police station and require him or her to provide an evidential blood specimen. Currently, however, the requirement can be made only if a medical practitioner is called to the police station and advises that the person's condition may be due to a drug. The availability of an approved device will mean that if a positive reading is obtained, a blood specimen can be taken immediately, potentially by a custody suite nurse, without the need to call out a medical practitioner. Clearly, this will save time and money and, we believe, will be effective in ensuring that more people are brought to justice.

In that context, according to the latest figures I have on drug-driving, 1,598 were convicted of the offence—that is, the impairment offence. If one has more than the prescribed number of milligrams of alcohol in one's blood, that is the strict liability offence, which my hon. Friend the Member for North East Somerset highlighted. The vast majority of cases are dealt with in that way, although probably many people who fail the drink-driving test have taken drugs as well as alcohol. It is therefore difficult to get specific figures for the conviction of those who have driven illegally, having taken drugs.

The essence of the Bill is that we need to do more. The coalition agreement sets out our commitment to authorising drug-testing technology, which will streamline procedures, for use in tackling drug-driving and we will fulfil that commitment. The analysis will show whether drivers had a drug in their system that might have caused impairment. In a prosecution it will support a police officer's opinion that a person was driving while impaired by a drug.

In the debate we heard a number of contributions relating to the assessment of the device and the type approval process. Such a device must legally be of a type approved by the Secretary of State, and no devices are yet approved. Drug screeners are already commercially available, but they are designed for other purposes and use in other settings.

Successful use of a testing device—for example, where someone is referred for drug treatment—is not the same as testing to justify an invasive physical procedure for evidence that could support a criminal charge. Use of devices in other countries might be dependent on their different operational powers, requirements and practices, their different laws and legal conditions, and their particular social and political expectations. It is relevant to highlight experience from other countries, but it is also difficult to ascribe direct read-across in the way that perhaps has been suggested, albeit that we should learn from overseas experience.

The concept of type approval for drug screeners is parallel to the long-established type approval of devices used for other traffic law enforcement, such as speed and red light cameras, and breath-alcohol test devices. The primary purpose of type approval and its requirements is to ensure that the approved device is reliable, consistent,

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precise and accurate. This prevents repeated court challenges on the grounds that the reading allegedly justifying subsequent police action came from a device in which no confidence could be placed. If the level below which a device was not required to detect was raised, for example, some people pharmacologically affected by a drug might not be detected. If a device falsely gave a negative reading, a suspect might be allowed to continue driving, which apart from frustrating the ends of justice could clearly be dangerous. Not letting the suspect go despite a negative reading would be time-consuming and bureaucratic for the police, and might be seen by the suspect as oppressive and give rise, understandably, to complaint. Type approval of devices without requiring them to satisfy a detailed specification with clear standards and rigorous extensive testing, as required for all other type approvals, might be liable to judicial review on the grounds of unfairly favouring current manufacturers and of being irrational. But in saying all of that, I do not use that as an excuse for not getting on with things. I simply seek to set the context of the work that is required.

Mr Chope: My hon. Friend talks about type approval, but surely the first thing is the specification. Am I right in believing that the Home Office has still not finalised the specification for the roadside drug-testing equipment? What is the problem in drawing up the specification?

James Brokenshire: As I have already said, we are seeking to prioritise, as was reflected in the North report, the creation of drug-testing equipment within the police station as the first step. We have worked on the specification for that and we want to see station-based devices available before the end of this year. Six devices are going through field trials and detailed laboratory tests are also necessary. Timing of approval depends on device performance, manufacturer's reaction, and how quickly it is able to sign the agreement required with the Home Office before the Secretary of State signs the approval order. Purchase and deployment of the devices would then be matters for local police decision. We are pressing hard to see that by the end of this year. That then feeds through to the next step, which is the roadside testing, and our advisers are finalising the additional environmental requirement that devices would have to meet for use at the roadside. Obviously, the environmental issues are different out on the street compared with being in the police station. I can assure my hon. Friend that the specification document is going through final quality assurance, and we expect to receive it shortly. It will then be put to Ministers to decide how best to proceed further. I assure my hon. Friend that we are not just sitting on our hands. We are getting on with the work on the use of the device within the police station and are taking steps forward in relation to a device that can be type-approved for the roadside.

Mr Chope: Will my hon. Friend therefore confirm that the Government's response in March 2011 to the North review that they hoped to take decisions on type approval for the machine in the police station by the end of June is still on the programme, and can he assure me that the specification for the roadside test will be published before the end of this calendar year?

James Brokenshire: I can certainly assure my hon. Friend about the joint working between the Home Office and the Department for Transport, because I have had conversations with the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), who, like me, is seized of the need to progress quickly with the work that is required to deal with this issue. As I have indicated, we want to see the equipment in police stations by the end of the year and are moving forward with all expedition on the necessary specification for the roadside device. I am unable at this point to give my hon. Friend the Member for Christchurch the assurance he seeks, but I can say that work is ongoing and that we recognise the need to get the specification sorted out and make progress on the roadside device. However, I would urge caution in relation to getting the approvals and the specification correct.

Clive Efford: Will the Minister tell us what decisions are required of the House to implement roadside testing and whether the comments of the Home Office, quoted in a *Daily Mail* article of 4 June, that any decisions required of the House will be brought forward some time later this year, are accurate?

James Brokenshire: When we move from the specification to issuing the type approval, as it is known, a formal legal document has to be drawn up with the necessary approvals and presented to give that consent. In order for police forces to have the equipment in their police stations by the end of the year, the necessary legal documentation to facilitate the type approval, building on the experience of the pilots to which I have referred, would need to be in place. It is the approval that is absolutely key.

Reference has been made to experience in Australia, but recent research has shown that in western Australia, where roadside drug screeners have been brought into use, one in four tests was found to be inaccurate and more rigorous analysis of the specimens in a laboratory led to the exoneration of a number of motorists. Clearly we want to ensure that we get this right, and also recognise the need to take into account experience developed overseas.

On the issue of possible new offences and the question of whether there should be a different offence, and not simply looking at equipment to test or being able to support impairment, we are giving separate consideration to the case for introducing a simple, objective offence of having a specified drug in the body while driving. In addition to simplifying police enforcement, this could give a stronger message against drug-driving and act as a more powerful deterrent. Such an offence would also immediately make a roadside testing device much more valuable. The new offence would be in addition to the current offence of driving while impaired by drugs. Removing the need to prove impairment could deliver a significant improvement in enforcement.

We will, however, keep the impairment offence for those cases where impairment has been caused by a non-specified drug, such as one available on prescription or over the counter. That reflects a number of points that have been made by hon. Members in the debate. Introducing a new offence would be a very complex issue and there would be a need to consider a number of

questions of principle, policy and practicality. In many ways that alludes to the comments made by hon. Members in our discussions on the Bill.

We will continue the research and other work that is necessary before any decisions can be made, but at this stage I cannot pre-empt that work. Any proposals that we produce will be subject to further consultation, regulatory clearance and other impact assessments, and implementation would clearly and, for the reasons that have been highlighted today, require primary legislation.

To conclude, I join my hon. Friend the Member for Christchurch in wanting effective action against drug-driving. I applaud his dedication to the cause, and I recognise his frustrations and, indeed, those of previous Governments and other Ministers in taking action. It has therefore been good for us to hold this debate and to underline those issues today, but I hope he agrees that we are pursuing the goal vigorously and in the most appropriate manner, and in that context I hope that he will not press his Bill to a vote.

Mr Chope: With the leave of the House, may I respond to what has been an excellent debate?

When I became a Member we used to have one day a year on a Friday for a road safety debate, and in a sense this debate has been about one aspect of road safety, highlighting the deep interest that Members from all parts of the House have in the subject. I am very grateful to my hon. Friends for their contributions and to the hon. Member for Eltham (Clive Efford) on the Opposition Front Bench for what he had to say.

I accept the bona fides of the Government and of my hon. Friend the Minister, but I remain disappointed that we are not going even faster. My hon. Friend was not even able to reconfirm, as the March response to the North review stated, that the Government hope to take decisions on type approval by the end of June. That has been replaced by a target for the devices to be in some police stations by the end of the year. So it goes on, as my hon. Friend the Member for Daventry (Chris Heaton-Harris) so brilliantly said, quoting from various press releases over the years. Action always seems to be just around the corner, but we never quite get there. Let us hope that we do get there in the end.

In responding to the points that have been made, rather than going into a lot of detail, I commend to Members a brilliant analysis by Tina Cafaro, clinical professor of law at the Western New England college school of law, writing in the *Western New England Law Review* in 2010, under an article entitled, "Slipping Through the Cracks: Why Can't We Stop Drugged Driving?"

In 70 or so pages, Professor Cafaro goes into the detail of what has happened in other countries and the differences between drug-driving and drink-driving, concluding that we will never make good progress unless we have a system of zero tolerance for illegal drugs in the body when people drive—leaving to one side the problem of prescribed and legal drugs. She comes down in favour of zero tolerance, rather as a number of my hon. Friends have during this debate, and I hope that we will now have a widespread debate about where we go from here, because the Government recognise that we should do more.

I hope that the road safety lobby, and other colleagues who are concerned about civil liberties and so on, will engage positively in a debate on whether we should introduce new legislation to deal not only with people who drive while impaired by drugs but with those who drive with illegal drugs in their system.

Having said all that, and bearing in my mind my conflict of interest, given that I wish to proceed quickly to the next item on the Order Paper, I seek the leave of the House to give the Government the benefit of the doubt, reminding them that we will be here to hold them to account if the things said today are not delivered. I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Volunteering Bill

Second Reading

1.19 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

As several hon. Members will know, this is volunteering week, so I am delighted that we have the chance to discuss this important issue. Given the interest of my hon. Friend the Member for Bury North (Mr Nuttall) in European matters, he will like to know that 2011 is the European year of volunteering. There is therefore a lot to celebrate about volunteering.

This simple Bill is designed to meet the concerns that have been expressed right across the House, and by no less a person than the Prime Minister, about the need to reduce the red tape and bureaucracy surrounding people's ability to get access to volunteering. In preparing the Bill, I have been much assisted by working with the organisation WorldWide Volunteering, which is based in Somerset. Its chairman is John Dunford, whom many people may know as a former general secretary of the National Association of Head Teachers. WorldWide Volunteering is a national charity founded in 1994 which provides tailored services to inform, inspire and make it easy for people from all walks of life to volunteer. It has control over the United Kingdom's most comprehensive and easy-to-use online database of volunteering opportunities, which offers over 1.6 million opportunities per year from over 2,500 different charities, and it provides a flow of much-needed volunteers to those charities at no cost to either party. It works in partnership with charities to achieve the best outcomes. It also works, to a great extent, within our schools.

WorldWide Volunteering has a number of people working for it whose job is to go out into schools—often schools that are not in the most privileged neighbourhoods of the country—to try to encourage youngsters to come forward as volunteers. One of those people said to me that it is sometimes difficult enough, in the sort of schools that she is going into, to get young people enthused about volunteering, but if one succeeds in doing so, they will probably, being young and impetuous, want to indulge in that volunteering sooner rather than later. They do not want to have to hang around for a lot of bureaucratic hurdles to be jumped before they can start what they have decided to do.

This week there has been a brilliant series of articles in London's *Evening Standard* about volunteering to help with reading. The initiative was inspired by royal patronage. It is supported by the Archbishop of Canterbury and, notwithstanding that, by many of the newspaper's readers. The articles asked why people do not get out there, go into schools and provide reading help to the disappointingly large proportion of youngsters who seem unable to read aloud and have not had that experience. What disturbed me was the emphasis placed on the requirements for doing this. One of the requirements was that the body organising it should interview the potential volunteers; there is no problem about that at all. Another requirement was that each person who wanted to engage in volunteering had to have a criminal record check. Why did they need a criminal record check? That seems quite unreasonable.

George Freeman (Mid Norfolk) (Con): My hon. Friend is making an eloquent point, which he started to make in connection with young people. Many of my constituents reach the volunteering stage of their life in retirement, at the end of a full working life. A number of them have contacted me to make this exact point about volunteering in retirement. They say, "Mr Freeman, I have built a business, had a family and lived in my community. Why should I be assumed to be a criminal? Could we not have a simple way for my bona fides to be established in a single certificate that applies to all my volunteering activities in the community?"

Mr Chope: I am grateful to my hon. Friend for that intervention. My Bill is designed to find such a simple solution. Clause 1 would establish a fit and proper person certificate. If an organisation or individual wanted to take on a volunteer, instead of having to get a criminal record check, they would be able to accept a declaration from the volunteer that they do not have a criminal record or any convictions. In the case of somebody under the age of 18, such a statement would have to be countersigned by a parent or guardian. Such a statement would, by definition, be up to date. A person could provide one this week to volunteer for reading in London and another next week to work with a diving company or the Royal National Lifeboat Institution.

Bob Stewart (Beckenham) (Con): Criminal record checks do not necessarily identify someone who is weird at all, but just whether someone has a criminal record. Most of the people who wish to do harm are well under the radar because no one knows about them until suddenly they do something. I absolutely agree that criminal record checks are totally inappropriate in volunteering. We must get rid of this red tape so that people who want to help young people, for example, can do so almost instantly.

Madam Deputy Speaker (Dawn Primarolo): Order. I remind hon. Members that when addressing the House, they are supposed to turn to address the Chair and not face backwards. That may seem odd, but it helps with the proceedings of the House.

Bob Stewart: I am very sorry.

Mr Chope: My hon. Friend makes a good point. People want to be able to get on with volunteering very quickly and with the minimum bureaucracy. Even if there are criminal record checks, what does that prove?

In the last week, there was the most horrific account in one of the national newspapers of a worker at a nursery who filmed the rape of a toddler and was involved in countless other ghastly offences. The nursery had been inspected by Ofsted some five weeks before the individual was arrested. The inspection concluded that the nursery offered a "safe and secure" environment for children, with

> "appropriate recruiting and vetting procedures"

for staff. When challenged about what had happened, the spokesman for Ofsted said, I thought rather wisely:

> "Inspection can only ever provide a snapshot of a nursery on the day of inspection."

It can provide only a snapshot of what the inspector is shown or sees. The spokesman emphasised:

> "It is the nursery's responsibility to ensure it takes the necessary action to keep children safe and well looked after."

My Bill would give that responsibility fairly and squarely to the people who recruit and supervise the volunteers.

George Freeman: Does my hon. Friend agree that in framing legislation to promote volunteering—I note that the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Ruislip, Northwood and Pinner (Mr Hurd), who is responsible for the big society, is on the Front Bench—it is important that we embody notions of trust and responsibility in the culture of the revolution that we seek to trigger? Otherwise we are in danger of legislating for distrust.

Madam Deputy Speaker: Order. I will explain to hon. Members why it is necessary to face the Chair. The rule of the House is that when the Speaker or Deputy Speaker is on his or her feet, no other Member will stand. If a Member has their back to me, they will not see whether I am standing. It has been some time now—let us try to ensure we get it right.

Mr Chope: Perhaps it is my fault, Madam Deputy Speaker, for sitting right at the back so that others have to turn around. Nevertheless, I am grateful for the interest that the debate is generating among my hon. Friends.

My hon. Friend is absolutely right to emphasise the importance of responsibility. The Minister for Equalities, who has been dealing with the Protection of Freedoms Bill in Committee, has made it clear on a number of occasions that the ticking of boxes cannot be a substitute for people taking responsibility for their charges or for volunteers who should be under their supervision and control, and whom they are responsible for recruiting.

Why have we suddenly got into the situation whereby it is thought necessary to have a Criminal Records Bureau check for tens or hundreds of thousands of volunteers? I examined the coalition agreement after the general election and saw that we were promised the Protection of Freedoms Bill. That has now come forward, but I am not sure that it goes far enough in introducing simplicity and common sense. There is a lot of talk about common sense and, indeed, "A Common Sense Approach" is the title of the report carried out for the Government by Sunita Mason, the independent adviser for criminality information management, on the impact of the vetting and barring system on volunteering and other activity. She recognised that there was far too heavy a hand in relation to all this, but I am not sure that the solutions that the Government have come up with in their Bill are not still unnecessarily complex.

We know that 95% of people who have CRB checks are cleared. An individual knows whether they have a criminal record, so they should be quite capable of signing a declaration of whether they do. If they do not, and they sign a declaration to that effect, on the face of it that should be sufficient evidence that they are a fit and proper person to engage in volunteering activity.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I totally agree with the sentiment that my hon. Friend is outlining, but I very much hope that his Bill will also explain how volunteers can navigate through all the health and safety red tape that has been put into place over the past 13 years. A lot of people in my constituency are put off voluntary work because of the inordinate amount of health and safety regulation and the tick-box mentality that they have to go through in order to volunteer.

Mr Chope: The subject that we are discussing at the moment is the need for people to get a criminal record check before they can even have their application considered, and that is one of the biggest deterrents to volunteering. I do not know whether my hon. Friend has had the chance to read the text of my Bill, but my approach to Friday Bills has always been, as far as possible, to keep them simple. Like most of my Bills, this one is on one side of paper. It basically proposes the fit and proper person certificate as a substitute for a CRB check, which takes time—many weeks—and costs money. The price has gone up to £44, and somebody must pay for that.

George Freeman: I am very grateful, Madam Deputy Speaker, for this third opportunity to intervene correctly. I will not take my eyes off you, which is my gain and my hon. Friend's loss.

Does my hon. Friend think that volunteers for schemes such as the community car schemes in my constituency—a number of elderly volunteers help out in their community through such a scheme—should be subject to the CRB checks to which they are currently subjected? A number of people in my constituency have contacted me to say that they have taken part in volunteering activity all their lives, and that they resent, at this late stage, being required to prove that they are not criminals. What does he make of that situation?

Mr Chope: I agree absolutely with my hon. Friend. I must congratulate the Government and the Chancellor of the Exchequer on raising from 40p to 45p the allowance for volunteer drivers, and also on including the 5p per passenger addition, which means that someone can claim 50p per mile for taking one person to or from hospital and 55p per mile for taking two people. That is an important and useful initiative, but I am not sure—I hope the Minister will have a chance to respond to this point—that under the current law, such volunteers need a CRB check. It is absolute madness if they do.

Christopher Pincher (Tamworth) (Con): Here's looking at you, Madam Deputy Speaker.

Without wishing to give the House the impression that I am a great proponent of pettifogging CRB checks, may I ask my hon. Friend about his proposed declaration certificate? How should somebody who signs such a certificate erroneously be sanctioned, because if there is no sanction, surely there is no point in those certificates?

Mr Chope: I am not sure that that is correct, because obviously, making a false statement is potentially an offence. However, my hon. Friend gives me the opportunity to tell the House where I got the idea of the fit and proper person certificate from. I got the idea from none other than Her Majesty's Revenue and Customs. You will know about this, Madam Deputy Speaker, because you perhaps invented it when you were a distinguished Treasury Minister.

HMRC decided that people who run or who are trustees of small charities might run off with the funds or take advantage of charitable exemptions under tax

[Mr Chope]

law. It therefore introduced a fit and proper persons test and declaration for people who run charities. The test applies essentially to managers, trustees of charities, directors of corporate charities and so on. In a typical smaller local charity, a manager, for the purposes of the fit and proper persons test, could include the chairperson, the treasurer, the secretary or someone on the management committee who has control over expenditure.

The HMRC leaflet on the test states:

"The 'fit and proper persons' test exists to ensure that charities,"

community interest associations

"and other organisations entitled to charity tax reliefs are not managed or controlled by individuals who might misuse the valuable tax reliefs the organisation receives. Unfortunately fraudsters have been known to exploit charity tax reliefs so the fit and proper persons test exists to help prevent that".

What does 'fit and proper' mean?

"An individual is 'fit and proper' if they ensure that charity funds and tax reliefs are used only for charitable purposes."

What must a person do to satisfy HMRC that they are a fit and proper person? The guidance states that they must sign a declaration that sets out the name of the organisation, the name of the individual and their role in the organisation. The person must declare that they are not disqualified from acting as a charity trustee; have not been convicted of an offence involving deception or dishonesty; have not been involved in tax fraud; are not an undischarged bankrupt; have not made compositions or arrangements with creditors from which they have not been discharged; have not been removed from serving as a charity trustee in the past; and that they have not been disqualified from serving as a company director. They must also assert that at all times they will seek to ensure that the charity's funds and tax reliefs are used only for charitable purposes. So that is all right for managers of charities handling probably quite substantial sums of money. The Treasury is saying, "We will take these statements on trust". If we are to have a responsible society, we have to trust people. People say, "Well, what happens if the person turns out to be a rogue?" Exactly the same thing would happen as happened in the ghastly Plymouth day nursery case or in the case I cited earlier: the person would be brought to justice, although probably not until after a lot of damage had been done.

However many controls and regulations we bring in, we cannot pre-empt the activities of fraudsters, villains, inherent, compulsive liars, paedophiles or whoever. We have to be proportional and say, "What is the benefit of having CRB checks, bearing in mind that they do not prevent somebody who clears one from subsequently going off the rails?" What would be the benefit of not having those checks and having a much simpler system? My Bill, which adopts a simple system rather along the lines of the fit and proper person test for charity trustees, would meet the principle of proportionality. It deals only with volunteers. We are not talking about people engaged in full-time or part-time employment; we are talking about volunteers and people who, by their very nature, want to make a difference and add something to the equation. It is important for society not to deter, but to encourage those volunteers to come forward, so by removing the need for CRB checks, and making it nice and simple and easy, we will promote volunteering, which is the whole purpose of the Bill and volunteering week.

Bob Stewart: I am very much looking at the Chair, and I am not going to look behind me, Madam Deputy Speaker. In fact, I am going to keep my eyes permanently on you.

David Wright (Telford) (Lab): Get on with it.

Bob Stewart: And I will get on with it. I am a 61-year-old father of young children, and I want to take my children from school to sports matches, but I am told by the school that I have to have a CRB check to take two or three people in my car. I am hoping that this sort of red tape can be done away with. I think that I am a fit and proper person.

Thomas Docherty (Dunfermline and West Fife) (Lab): You're a Tory MP.

Bob Stewart: I resent that remark from the hon. Gentleman. I hope that this sort of red tape will stop.

Mr Chope: I am grateful once again for my hon. Friend's support.

The Bill would reduce bureaucracy and costs, and promote volunteering. If for some reason—I am sure there may be all sorts of technical reasons—my hon. Friend the Minister cannot accept the Bill, perhaps because it is inadequately drafted, it would be possible to introduce new clauses on Report of the Protection of Freedoms Bill to deal adequately with these concerns. The Government have—this is the substance of my remarks—made some welcome statements pointing in the right direction of reducing the burden of bureaucracy, and have said on a number of occasions that they do not want people who volunteer to be viewed as suspects until proved otherwise, and that they want to encourage as much volunteering as possible.

Clause 2 makes some technical changes to ensure that those under 21 would not have to get criminal records checks in any circumstances and that the Police Act 1997 would not apply to volunteers, but only to paid employees.

Having said all that, and being grateful to all my hon. Friends who have shown support for the Bill, I move that it receive its Second Reading.

1.45 pm

Roberta Blackman-Woods (City of Durham) (Lab): Let me say to the hon. Member for Christchurch (Mr Chope) that, just because in some cases people fall through the current safety net, it is not rational to argue that we should get rid of the safeguards altogether. However, I shall also challenge some of the premises underpinning the Bill.

Members from all parts of the House will know from their constituencies just how fantastic and inspirational the work of volunteers is. Whether in a local homework club, at a homeless shelter or in a voluntary group that encourages reskilling and training, volunteers add an immeasurable amount to our neighbourhoods and communities. I am personally greatly encouraged by their enthusiasm and energy. For that reason and a host of others, it is vital to encourage people to become involved in their communities and take up voluntary work whenever and wherever they can. To that extent, I agree with the hon. Gentleman. Recent research shows

that 54% of people volunteered informally at least once in the last year, with 29% volunteering informally at least once a month.

However, there is not only a social and ethical case for volunteering and encouraging it in the community; there is a serious economic case for it. Volunteering not only helps the voluntary group concerned, but creates a greater sense of community life and a more cohesive social fabric, and it is a fundamental part of living in a better society. However, volunteers need to be supported, trained and managed. It is wholly unclear how the Bill's proposal for a system of fit and proper person certificates would work. The Bill does not say who would run it. Perhaps most importantly, there is a serious danger that such a system would undermine the current safeguards, putting extremely vulnerable people at risk. I appreciate that the hon. Gentleman's intention may be to encourage people to volunteer, but this Bill has neither the capacity nor the ability to do that; indeed, it actually introduces a serious element of risk into the system. I am afraid that the Bill gives no serious consideration to the issue of safeguarding vulnerable people, creating a huge danger that it will put people at risk.

Mr Chope: The hon. Lady seems to be incredibly negative about the Bill, but can she answer this question? My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile)—he apologises that he cannot be here for this debate—told me yesterday that he had to have a CRB check to become a school governor. Surely that is unnecessary bureaucracy. Why does he need a CRB check to become a school governor?

Roberta Blackman-Woods: I can indeed answer the hon. Gentleman's question, because I am a school governor and have just completed a CRB check myself. It was amazingly straightforward, and I understand absolutely why one was carried out: because we want to ensure, as far as that is possible, that people working with or alongside children have nothing in their past that would put those children at risk.

I want to talk about the reasons and motivations behind people becoming involved in volunteering, and what holds them back from doing so. In so doing, I shall challenge some of the hon. Gentleman's assertions. There is a great deal of research into the reasons why people volunteer and what holds them back. Those reasons are multifarious in nature. The document "Why participate? Understanding what motivates people to get involved", produced by the National Council for Voluntary Organisations, presents an excellent picture of the reasons that people seek out voluntary work in their communities. The research suggests that the reasons are complex and diverse, and that they vary according to the personal, cultural, environmental and structural circumstances of the individual in question.

Similarly, in the Helping Out survey, volunteers reported a wide range of reasons for starting to volunteer. The most popular reason, given by 53% of those surveyed, was to improve things and help people. That was followed by two more reasons, each given by 41% of respondents. The first was that the cause was important to them; the second was that they had spare time. This research presents an interesting and complex picture. There are many other reasons for volunteering. In the survey, 30% of people said that they wanted to meet people and make friends; 29% said that there was a need in the community; 27% said that they wanted to use their existing skills; 19% said that they wanted to learn new skills. On and on it goes. There are lots of reasons for people volunteering.

Research carried out by the National Council for Voluntary Organisations also shows what prevents people from volunteering. It suggests that it is usually related to a lack of resources, and that there might be problems related to education or a lack of training, time or disposable income. The regulation involved is not, however, at the top of any list of barriers, and there is little evidence that that would be the primary reason that people might be put off.

Mr David Nuttall (Bury North) (Con): I have listened carefully to the hon. Lady's argument, and I appreciate that a CRB check would not present a problem to the innocent prospective volunteer who had committed no crime. It does, however, present problems for the small charities who want lots of volunteers. They have to pay for the checks, and the cost is prohibitive if they want to engage lots of volunteers.

Roberta Blackman-Woods: I shall talk about this issue from the charities' point of view in just a moment.

Many people in the sector have written about what should be done to encourage more people to volunteer.

Mr Chope: Is the shadow Minister saying that she completely disputes the evidence that I adduced from WorldWide Volunteering? It shows that there are real difficulties in encouraging young people from schools to volunteer in deprived areas because the present procedures prevent them from translating their enthusiasm into an immediate act of volunteering and make them wait many weeks to be approved.

Roberta Blackman-Woods: I am querying whether that is the major disincentive. I have already been through the list of other barriers that affect the group of people that the hon. Gentleman describes. What I am suggesting is that regulation might not be the primary barrier. Indeed, across the sector, a great deal of information and research backs up my point.

What, then, do we know from the sector about how to promote volunteering and remove barriers? Paul Emery, head of community and social organisations at Zurich tells us:

> "Choose a cause that people really care about. Our research shows that people do want to volunteer and take on more in the places they live, but they don't want to be used as a resource to replace public services."

That is something that we have not heard much about in the debate so far. He also stressed the importance of people being able to

> "show communities what they can do",

for which they need to acquire additional skills. It is necessary to keep people informed and to work with local authorities and other local bodies to do so.

Similarly, Brian Carr, chief executive of the Centre for Voluntary Action says that it is really important to offer people opportunities and that it is necessary to "build volunteers' confidence". For him, one of the

[Roberta Blackman-Woods]

biggest barriers to volunteering was not regulation, but "lack of confidence", which is

"exacerbated for individuals who've experienced exclusion in other areas of life."

It is essential that volunteering opportunities provide the necessary support and that there are procedures in place to boost mental health—if necessary—employability and self-esteem. It is therefore essential to increase the support available in organisations.

David Hopkins, the national programme manager at Catch 22, says it is absolutely essential if we are to get people volunteering to promote a strong support network. As he says, people do not want to

"undertake social action in glorious isolation".

They want to be "supported by like-minded individuals".

In a similar vein, Alison Blackwood, head of policy at the London Voluntary Service Council, says that it is important to design specific programmes for volunteers:

"There is evidence from Greater London Volunteering that volunteer centres are better at engaging people who don't normally volunteer or who are at risk of social exclusion."

She then mentions some Government suggestions that might undermine the very volunteering centres that are necessary to support our volunteers. It is of great significance that she, as someone who supports a large number of small voluntary organisations, says that

"Time not bureaucracy is the problem",

and that the

"red tape barrier is a bit of a red herring: as the top barrier to not getting involved, 82% of those surveyed... stated it was lack of spare time—

and not regulation—that was "the main barrier" to involvement in the local community and taking up whatever volunteering opportunities might be available.

Before I move on to clarify what should be done, it is worth setting out the legislative context of the Bill. We should remember that the Safeguarding Vulnerable Groups Act 2006 was enacted in response to the inquiry following the Soham murders. It established a vetting and barring scheme for those who wished to undertake the two types of regulated activities that are controlled. I was pleased to hear the hon. Member for Christchurch mention that the entire legislative context is now being reviewed by the Government under legislation currently going through the House. I am somewhat surprised that the Bill was not framed more exactly in terms of, first, the Protection of Freedoms Bill that is currently going through the House, and secondly—and perhaps more significantly in this context—the taskforce established by the Government to consider how to cut red tape for small charities, voluntary organisations and social enterprises. I do not necessarily agree with the proposals in the Protection of Freedoms Bill or from the taskforce, but nevertheless I would have thought that the Bill would refer specifically to them.

I start with the relevant proposals under the Protection of Freedoms Bill, which seeks to merge the Criminal Records Bureau and the Independent Safeguarding Authority to form a streamlined new body. The Bill, it is said, is proportionate in terms of barring and the criminal records checking service; it will bring about a large reduction in the number of positions requiring checks, so that only those working closely and regularly with children and vulnerable adults will need CRB checks; there will be portability of criminal records checks between jobs to cut down bureaucracy; there will be an end to a requirement for those working or volunteering with vulnerable groups to register with the vetting and barring scheme and then to be monitored; and it will stop employers knowingly requesting criminal records checks on individuals who are not liable for to them.

It seems, therefore, that the Bill currently going through the parliamentary system goes some way towards addressing the issues that the hon. Member for Christchurch has raised today. That is acknowledged, to some extent, by voluntary sector organisations. For example, Volunteering England has said that it welcomes the broad proposals to revise the safeguarding systems announced as part of the Protection of Freedoms Bill. It says that the portability of criminal record checks would be widely seen by volunteers and volunteering organisations as helpful, and that the lower level of involvement for people and roles will also reduce a significant barrier to volunteering. Today's announcement is beneficial for the volunteering movement.

However, Volunteering England also expresses some concerns. Justin Davis Smith, its chief executive, has said directly in response to the Volunteering Bill:

"Whilst we welcome the move to reduce the red tape surrounding volunteering, we do not believe the proposals in Mr Chope's private member's bill are the answer. Safeguarding is an important issue, and we hope that reforms to the current CRB system within the Protection of Freedoms Bill will strike the appropriate balance—ensuring vulnerable people are protected whilst making sure volunteers aren't put off."

Interestingly, he also mentions the deregulation taskforce, to which I will refer in a moment:

"Volunteering England has worked with Lord Hodgson's De-Regulation Taskforce to identify the barriers to volunteering and how we can work together to overcome them. Our campaign to Free Volunteering from Red Tape is underway",

and he says that Volunteering England will continue to do all that it can to support the taskforce.

We have the first report from the taskforce, entitled, "Unshackling Good Neighbours". It is interesting that, after taking extensive evidence from the sector, including large and small charitable organisations, and interviewing many people across the voluntary and community sector, the taskforce does not find that red tape is the major barrier to volunteering, even though the taskforce was established to consider how to cut red tape for small charities, voluntary organisations and social enterprises. In fact, fear of litigation is at the top of the list. The first answer to the report's question, "What stops people giving time?" is "Risk of litigation".

The report goes on to make some suggestions, referring to "Commissioning", "Withdrawal of Cheques", "The Role of Local Government", whether people are employed, whether there are training opportunities, and the role of the planning system. However, it neither mentions the bureaucracy that currently exists nor suggests any ways of getting rid of it. If the

"Report of the Task Force established to consider how to cut red tape for small charities"

does not refer to the requirement for CRB checks and for some regulation to protect vulnerable children and

adults, why do the hon. Member for Christchurch and the supporters of his Bill think that it is the No. 1 disincentive and barrier?

The last Government had a strong record of developing and encouraging volunteering and voluntary groups. An estimated 778,000 people were employed in the voluntary and community sector in 2010, some 17% more than in 2004. As I said earlier, we know that a large number of adults volunteer formally at least once a month. If the number of volunteers is to continue to increase, which is what the Government want—it is part of their big society programme—the Government must support voluntary organisations so that they can not only give their volunteers a helping hand, but encourage those volunteers to do the same for other members of the community.

What is thought to be having a negative impact on volunteering opportunities is not lack of regulation but other factors, which are causing great concern. They may be to do with individuals, but they may also be to do with charities themselves. Many have commented. The Charity Commission, for instance, says that it faces a 33% real-terms spending cut over the next four financial years, and is worried about whether it will be able to perform its functions as it currently does. The Association of Chief Executives of Voluntary Organisations and the National Council for Voluntary Organisations have developed a website referring to the amount of money being taken from the voluntary and community sector. People in the sector are saying that the real challenge is posed not by red tape, but by funding cuts and the money being taken out of voluntary organisations.

Another challenge is being presented by the fact that the whole landscape of training for volunteers is under review. Julie Wilkes, chief executive of Skills—Third Sector, has said:

> "Charities have been holding their breath on staff cuts in the last quarter, waiting to hear if their contracts with government will be renewed. The next two quarters will be the real test of the state of the sector as they include the end of the financial year."

As the House can see, there is clearly a danger that the Government's public spending cuts of more than £3 billion to charities could drive many to the wall. The Government talked time and again about the transition fund for community and voluntary organisations, but that does not reach all charities and, in any case, is hugely oversubscribed. A number of organisations have been dealing with the impact of announcements made in the emergency Budget in June 2010. They were doing that and experiencing difficulties in advance of the most recent round of cuts. There is also a great deal of concern that, across the country, the impact of the cuts varies according to the area where the voluntary organisation is located. Analysis from NCVO shows that northern local authorities have been hit hardest by the reductions.

The organisation Skills—Third Sector, which as I said earlier is the strategic body for developing skills in charities, social enterprises and voluntary organisations, has said that good-quality training programmes, linked to standards where possible, are needed to encourage volunteering, and that as it is facing rising demands across the board, with less money available, it does not know whether it will be able to continue to deliver services.

I suggest to the hon. Member for Christchurch that in order to encourage volunteering, rather than imposing additional or alternative processes and requirements on those wishing to become involved he should engage with the organisations doing that work, which are facing difficulties in encouraging the retention and support of volunteers across the country.

Mr Chope: I cannot let the hon. Lady traduce my Bill by suggesting that it will create additional burdens for volunteers. It will eliminate the need for a mass of volunteers to get Criminal Records Bureau checks. Instead, they will be able to produce a certificate which they will simply sign and present to the voluntary organisation for which they want to work. It will reduce the burden on volunteers, thereby encouraging them.

Roberta Blackman-Woods: What I am suggesting to the hon. Gentleman is that his Bill does not address the real barriers to people volunteering in their communities, and that if he wants to address those barriers, he should persuade those on his Front Bench to put more money into the voluntary and community sector, or at least stop taking quite so much money out of the sector so quickly, leaving it unable to respond to the demands not only of its volunteers but of the communities that it seeks to represent.

To sum up, I appreciate that the hon. Gentleman, like all Members of the House, wants to encourage higher levels of volunteering, but the Bill does not do that. It presents something of a circular argument. It is not clear who, if anybody, would check the background of the people who signed the statement or what system would be in place to verify what they had stated, who would administer the certificate system, how long the so-called fit and proper person certificate would last, and whether it would need to be updated after a number of years. Given the questions still outstanding, I suggest to the hon. Gentleman that a rethink on the Bill is needed.

2.14 pm

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): May I add my voice to those wishing the Duke of Edinburgh a very happy birthday today? May I also congratulate my hon. Friend the Member for Christchurch (Mr Chope) on his prodigious fertility in terms of private Members' Bills in this Session, but also, in the case of this particular baby, on its characteristic simplicity in terms of its structure? The Government cannot support it, for reasons that I will go into in whatever detail I can in the time that we have, but it is, as the hon. Member for City of Durham (Roberta Blackman-Woods) also took the opportunity to say, a welcome opportunity to recognise the astonishing contribution of millions of people in constituencies throughout the country who give time to help others, and those groups, such as WorldWide Volunteering, but there are many others, which help people to use that time and inspire and connect them with opportunities to help others. It is that generosity in that landscape of that ecosystem of civil society organisations that is one of the things that makes this country great, and we should absolutely recognise it.

It is also right regularly to be asking ourselves the question: what can we do to make it easier in 2011 in modern Britain, with all the pressures on people's time

[Mr Nick Hurd]

and, at the moment, money, to get involved, to support each other, to help to create the changes that people want to see? It goes to the heart of how we build a stronger sense of community where people have more power and responsibility for their lives, their communities and the services they use—the absolute aspiration of the big society vision. When it comes to encouraging and supporting social action, which is the context of the Bill, it is clear that we need to do something. We are a generous country—the statistics show that clearly—but it is also clear that giving has flatlined and there are worrying signs of decline, not least in terms of the giving of time. We have a sense of this from our own constituencies and community associations, and the difficulties that they have in finding new people to come forward. The charity world is increasingly concerned. Some people say that we cannot change this, that it is as good as it can get, but we do not accept that decline is inevitable, and our research and consultation suggest that there are people and organisations who would like to do more and could do more, but too many things get in the way.

As the hon. Lady said, there is an issue around lack of time in 2011, or perception of lack of time for many people. Often people find it difficult and complicated. For too many, the experience of volunteering, given time, is not as rewarding as it could or should be. There is a lack of awareness of opportunities, or where to start looking. There is an issue around bureaucracy—I do disagree a little with the hon. Lady here—and there is an issue around the CRB. She tried to make a case about why Lord Hodgson ignored this issue. There is a simple explanation: he recognised that other reviews of vetting and barring and of the CRB regime were going on and he took a view, I think quite sensibly, that he needed to focus the efforts of a limited resource exercise on areas where he felt that he could add more value. But his report "Unshackling Good Neighbours"—I recommend it to all colleagues—is a dose of common sense, when common sense is needed.

There is an issue around the CRB checks. I remember going to talk at a forum in Westminster and a gentleman coming up to say that he had 80 people waiting to volunteer, but they were being frustrated and held back because of the time it was taking for their CRB checks to come through. As the hon. Lady knows, there is frustration out there with the lack of opportunities to carry CRB checks around the system—the portability issue.

That brings me to the Bill. There are reasons why we cannot support it, however well intentioned it is. I hope to have the chance to summarise those reasons and our preferred approach. I hope that I can satisfy my hon. Friend about two things. In the specific context of the Bill we want to reduce bureaucracy and the cost attached to it, but without diminishing public protection, because we have duties in this regard that we cannot trivialise or walk away from. Secondly, we are fully committed to promoting volunteering, which is the Bill's stated aim.

We have considered the Bill carefully in the time that we have been allowed and, although we welcome its aims, we oppose it principally for three reasons, the first of which is the most important; the other two flow from it. The first reason is that for the proposed fit and proper person certificate to be successful, a means of independent verification and checking for accuracy would be required. We simply could not, with any sense of responsibility, leave that as a free-for-all. There is of course a balance to be struck between protection and trust, but we think that a basic level of protection and independent verification of claims is necessary and believe that the CRB check fulfils that role, although we are very clear that it needs to be reformed and retuned in terms of proportionality and a return to common sense.

Mr Chope: I am not surprised that that is the Minister's approach, although I am disappointed. How, then, does he think it is reasonable that Her Majesty's Revenue and Customs can allow trustees of charities to deal with large sums of money on the basis of a mere declaration that is subject to no independent verification?

Mr Hurd: I think that the contexts are completely different. As I go on to explain what we are doing to reform the CRB process, I hope I will go some way towards satisfying my hon. Friend that we intend to reduce bureaucracy without undermining basic protection.

Our other concerns flow from the premise that some form of independent verification is required, and the Bill is silent on how that will work. Our concern is that we will be replacing one form of bureaucracy with another, and with costs attached. I will set out briefly a summary of what we are doing in relation to the existing CRB system in the light of the concerns that have been expressed.

We announced in the coalition programme for government a commitment to

"review the criminal records and vetting and barring regime and scale it back to common sense levels."

The outcomes of the reviews were published on 11 February and three of the recommendations are particularly pertinent to the Bill. First, CRB checks will in future be provided only to the applicant, which will enable them to challenge any disputed or inappropriate information before it is seen by an employer or volunteering organisation. That is an important issue. I had a constituency case only two weeks ago in which a gentleman was appalled to see the information on his statement, so this change is important.

Secondly, and critically, CRB checks will be made more portable between different employers by introducing an updating service. This will enable employers to check whether a previous disclosure certificate is still valid, reducing the need for repeat checks. Thirdly, CRB checks will not be provided for anyone under the age of 16, an important point relating to clause 2, which proposes that CRB checks be restricted to those over 21. As my hon. Friend knows well, these recommendations require legislation and are being taken forward in the Protection of Freedoms Bill, which is currently going through the House. The Government believe that the current CRB check process and the implementation of the February 2011 recommendations provide the fit and proper person certificate process described in the Bill.

Mr Chope: My hon. Friend refers to the CRB checks, but my understanding is that there will be no introduction of a basic CRB check that could be presented and that would exclude spent convictions.

Mr Hurd: My understanding is that there are three levels of criminal records check: a basic disclosure, a standard disclosure and an enhanced disclosure. I may be corrected, but I do not believe that there is any proposal to change those. The changes we are making are those I have just summarised, and the most important one in this context is the one relating to portability, because that is something I hear a great deal of frustration about in the system. In summary, the most important point is the need for independent verification. Those are the reasons why we cannot support the Bill and believe that reform of CRB is preferable to abolition.

Let me close by updating my hon. Friend and the House on what the Government are doing to promote the giving of time and of money. We published a Green Paper in December 2010, to which we have received 400 written responses, and following that we published a White Paper in May, the premise of which is that everyone can make a difference.

Our approach to supporting more giving is based on three strands of activity. The first is about making it easier to give by helping it to fit into everyday life, so the White Paper sets out new ways we will support the giving of money, such as through donations at ATMs. In terms of time, we explicitly support the pilots of flexible, self-managed volunteering platforms, which allow people to give small amounts of time. Time can be a major constraint, but entrepreneurs are developing models that allow people to control and to deliver time in more flexible packages, and we want to support more of that.

We want also to give people better information about opportunities, which is why we are spending £1 million on the Do-it volunteering database and working with it to open up those data so that they can be accessed more widely. We are using challenge prizes to stimulate innovation and giving people new ways to access opportunities through mobile phones in order to give time—a critical development, particularly in relation to inspiring and connecting young people.

We are also investing in community organisers—people who are literally going to walk the streets, knock on doors, find out what people care about and get them together to take action, connecting them with local support and, not least, local businesses, which in my experience want to do more but want to be connected with the right opportunities that really meet local need.

We are, as I have laboured to make clear in this debate, looking at bureaucracy and red tape—the things that frustrate—through CRB reform and the red tape review that I have mentioned. I was delighted to hear my hon. Friend refer to the Budget and the changes to the volunteer expenses allowance, because that was definitely a real frustration in constituencies. Making it easier to give is the first strand; the second is about making it more compelling to give. The Budget introduced new incentives to give money, but we also want to support new models that incentivise people to give time, such as what are known as complementary currencies, which give people credits for volunteering. That is why we are investing £400,000 with the National Endowment for Science, Technology and the Arts in developing a pilot of Spice "time credits", whereby in return for giving time people get discounts on local services.

Through the social action fund that we announced in the White Paper, we are looking to support the best ideas because, as I said, it is quite clear that many social entrepreneurs are building fantastically exciting platforms to make it easier and more compelling for people to give time and money. This Government want to support that entrepreneurial energy through the social action fund.

We have an £80 million community grant programme called Community First, which is focused on deprived neighbourhoods—and that is a match fund. The proposition is to put money into the hands of neighbourhood groups to help them to implement their own plans, but it will be matched—partly in time, not just in money. The fund is about incentivising people to step up, get involved and create the change that they want to see locally.

We are strong believers in leading by example, which is why we are introducing new proposals to encourage civil servants to spend more time in their communities, not just because it ticks a box on corporate responsibility, but because we expect better civil servants to result from the initiative and because we want to send a strong signal to other employers that encouraging employees to give time in their communities is a very good thing to do and in the employers' commercial interests. Leading by example extends to an expectation that Ministers will give one day a year—the one-day challenge—to volunteering. It is sometimes dismissed as a gimmick, but it is not, because leadership by example is hugely important in that context.

The third and final strand, which the hon. Member for City of Durham touched on, is better support for those who provide and manage opportunities to give—the civil society ecosystem that I mentioned. Such individuals often perform heroic tasks locally, trying to connect people and to support front-line organisations. It is a terribly difficult operating environment, as we well know. Resources are often spread too thinly across too many organisations, and we want to use public investment as a catalyst for more efficiency in the sector, so that such individuals can be more effective with the front-line organisations in their communities. That is why we have announced £30 million as a local infrastructure fund, the details of which will be announced shortly. That follows a recommendation by the NCVO funding commission. It is about trying to support the development of more efficient local hubs, a better online resource bank for front-line organisations, and much more effective local partnerships between business, statutory agencies and local charities. I know from my own constituency that we have barely scratched the surface of what can be achieved, and we can do more.

Alongside these programmes, we are supporting the European year of volunteering, Her Majesty the Queen's award for voluntary service, and the National Citizen Service.

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 17 June.

Business without Debate

SUSTAINABLE LIVESTOCK BILL

Resumption of adjourned debate on Question (12 November 2010), That the Bill be now read a Second Time.

Ordered, That the debate be resumed on Friday 16 March *2012*.

ONSHORE WIND TURBINES (PROXIMITY OF HABITATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 17 June.

DAIRY FARMING BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 9 September.

CREDIT REGULATION (CHILD PORNOGRAPHY) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 21 October.

GANGMASTERS LICENSING (EXTENSION TO CONSTRUCTION INDUSTRY) BILL

Resumption of adjourned debate on Question (3 December 2010), That the Bill be now read a Second Time.

Hon. Members: Object.

Debate to be resumed on Friday 25 November.

ILLEGALLY LOGGED TIMBER (PROHIBITION OF IMPORT, SALE OR DISTRIBUTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 25 November.

TAX AND FINANCIAL TRANSPARENCY BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 25 November.

LOCAL GOVERNMENT OMBUDSMAN (AMENDMENT) BILL

Resumption of adjourned debate on Question (18 March), That the Bill be now read a Second Time.]

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63.)

MEDICAL INSURANCE (PENSIONER TAX RELIEF) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 17 June.

BUILDING REGULATIONS (REVIEW) BILL [*LORDS*]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 21 October.

Gangs and Youth Violence

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Goodwill.)*

2.32 pm

Ms Karen Buck (Westminster North) (Lab): I am grateful to have the opportunity to introduce this short debate on gangs and youth violence. I am pleased to see some colleagues here on a Friday afternoon to offer support and show the importance of this topic. I pay tribute to my hon. Friend the Member for Streatham (Mr Umunna), who has also been raising this issue in Parliament over recent months.

I decided to request a debate on this topic a couple of weeks ago when I was standing vigil with the mother of a young man, Daniel Smith, who was gunned down this time last year, at the age of just 22, as he stopped for a takeaway in Harrow road in Paddington, in what appears to have been a case of mistaken identity involving gangs. Winklet Smith, his mother, is one of several local women I know who are grieving. They include the mothers of Kodjo Yenga, who was killed in 2008 at the age of 16, Jevon Henry, who was killed at the age of 22, and Amro El-Bedawi, who was killed when he was just 14 years old.

On 20 April this year, a young man died in St John's Wood after what was believed to be a gang fight that started just over the borough boundary. In the previous weeks, a teenager on the Mozart estate was stabbed 13 times and was lucky to survive, and another boy was kicked into a coma. Both incidents are believed to be gang related. In the months after the new year, two teenagers were attacked with bottles in completely unprovoked attacks, which were also believed to be gang related. Shortly before that, a 13-year-old was kidnapped off the street, held overnight and beaten up, in one of a loop of attacks and retaliations swirling around between youths in north Paddington, south Kilburn and north Kensington.

Ten days ago, on attending a meeting, I watched a fight involving, by the time it finished, 30 to 40 young men, who materialised out of nowhere. Using mobile phones and BlackBerrys, the young men called in support from other young people. A small conflict quickly escalated to a substantial and frightening one that ended with bottles being broken over heads and one young man being stabbed in the face with a screwdriver.

That list of events on the streets of north Westminster—not an area normally associated with high levels of gang or youth violence—is the tip of the iceberg, as discussions with young people, youth workers, schools and residents of the estates where these problems are inevitably concentrated will confirm.

A couple of weeks ago, a young mother and her baby in a minicab were surrounded by a group of youths who indicated, possibly untruthfully, that they had concealed weapons, because the gang across the border had been sending spies into their area in minicabs. Maybe they were armed or maybe not, but there is enough evidence of weapons, including guns, in the area to make the threat plausible.

The sister of the teenager who survived 13 stab wounds wrote to me recently:

"I saw about 20 young boys on bikes last Saturday and this Saturday just gone, Bandannas and riding around…What is the best thing to do in this situation? I suppose call the police, but they will have gone by the time they arrive?! Every time I see them and then see another young boy on their own my heart skips a beat".

That is the experience of life even in communities in north Westminster. As my hon. Friends will testify, the toll of injury and death is far worse in parts of east and south London, and in some towns and cities in the north. I want, however, to focus on the impact on my constituency. It seems to me that if I think there is something approaching a crisis in my area, it is implicit that there is a problem on a far greater scale than has previously been appreciated.

There are excellent people working on this issue in my community. I cannot list them all, but I pay tribute to the safer neighbourhoods police officers, council staff, youth workers, teachers and volunteers. Their efforts deserve praise beyond words. I say to the Minister, however, that those efforts are insufficiently supported and increasingly look like straws in a wind that is blowing in the opposite direction.

Neither gang conflict nor youth violence are new phenomena. The statistics do not indicate a worsening picture of crime overall, but the figures for London obtained by my hon. Friend the Member for Streatham illustrate the fact that serious youth violence is a growing problem. Over the past five years, 107 London teenagers have been killed in knife and gun crimes. The welcome drop in the murder rate for all age groups in London since 2006, from 172 to 125, has not been mirrored by an equivalent fall in teenage homicides. That figure was unchanged between 2006 and 2010, although as we are all aware there was a peak in 2008, which was followed by a concentrated effort that brought down the number significantly in 2009, and I pay tribute to everyone involved in that. Serious youth violence is up. In 2008, there were 6,675 instances of youth violence in London. That rose to 6,859 last year. There is something of a consensus that the involvement of gangs in these problems is getting worse. Indeed, the Prime Minister confirmed that at Prime Minister's questions this week.

I would like to spend some time talking about the definition of gangs, although I do not want to digress too much. Although serious organised crime gangs are operating across the country, the definition of a gang is much looser and more fluid in the case of young people. Gang identity is a factor in the behaviour of some of our young people and the conflicts they get into, but we should not be too easily diverted into trying to define exactly what a gang is and which individuals belong to which gangs. There is a danger, in so doing, that we will lose the opportunity to divert a wider group of young people from involvement.

I find myself increasingly aware of the striking fact that people such as me walk different streets from those that are walked by young people in our cities. At least in our major cities, there is an increasingly dark and disturbing story that only partly shows up in the crime figures, and it often passes by the adults who live in the same community as the young people affected. It is almost like a science fiction story in which we inhabit parallel worlds. Our young people are going out on to the streets and experiencing something completely different from what we experience, and it is often chillingly frightening.

[Ms Karen Buck]

Not only are thousands of young lives being blighted by the violence and criminality that I have described, but fear and anxiety about youth violence is spread much more widely. When I visited a primary school recently, I was stunned to hear the majority of children of seven and eight years old talk about their awareness and fear of the violence that stalks our streets, which involves groups of young people and can readily spill over into fighting. According to the Citizenship Foundation, in a report that was commented on in the media last week, knife crime is in the top three concerns named by nine and 10-year-olds. I find that completely astonishing and deeply disturbing.

Less surprisingly, I have discovered from discussions with secondary school heads the extent to which gang tensions have percolated through into their schools. Possibly saddest of all, when we talk to street-smart young men of 16 and 17, we should not be surprised if they tell us that it is impossible for them to consider, in the case of those from north Westminster, visiting a sports centre in Ladbroke Grove or walking a major road into Kilburn safely. No doubt young people in Kilburn would say that it was impossible for them to go swimming in the Jubilee swimming baths in north Westminster. The invisible boundaries of postcode areas are chalked deeply into their consciousness.

We know that the factors underpinning gang membership and youth violence are complex and multi-layered. They are social, cultural and economic. "Fear and fashion" is a slogan used to campaign for anti-gang work, and both elements of it have truth in them. Many young people associate themselves with gangs and carry weapons out of fear that if they do not do so other people will be armed and they will be put at a disadvantage. We know that coming from a damaged and dysfunctional family in which drugs, alcohol, domestic violence and mental illness are factors can increase the risk of gang involvement, but I have known violent young people to emerge from the strongest and most loving families because the pull of the street can be so strong.

We know that children who are out of school because of exclusion, or young people who are not in employment, education or training, are disproportionately at risk, and that their number has grown. The absence of diversionary activities and work opportunities cannot be an excuse for violence, but such factors are contributory. It is no coincidence that our gravest problems are often rooted in our poorest neighbourhoods.

We need a sustained focus on the underlying causes of gang membership and youth crime and violence. We know that there will not be any quick fixes, but we need swift action to limit the worst of the challenges that we face today and prevent a deepening crisis. That lead must come from the top—from the Government, the Home Office, the Department for Communities and Local Government, the Department for Education, the Mayor, the Metropolitan police and local councils.

Of course, some investment is being made, and I am not for one moment arguing that nothing is being done. However, I do not believe that the level of attention or resources is equal to the task, which is likely to get harder. Policing is vital, but insufficient. Stop-and-search powers must be applied, but they must remain proportionate and intelligence-led. We must not lose sight of the importance of maintaining relationships between young people and the police.

Mr Chuka Umunna (Streatham) (Lab): I congratulate my hon. Friend on holding this important debate in this important week, in which I lost one of my young constituents. Does she agree that the House must send a message to communities up and down the country that it is essential that people give what intelligence and information they have to the police when these acts are perpetrated? It is not a question of snitching, as has been put about in some boroughs in London, including mine, but a question of people protecting their family, friends and communities. The problem could affect any family. It affects not only families whose children are involved in gang violence, but those who get caught in the crossfire. That will not stop unless people come forth with intelligence.

Ms Buck: My hon. Friend is absolutely right. If intelligence of such activities is not passed on, young people will die. It is as simple as that. I could not agree more with him.

My hon. Friend underpins the point I was making. The relationships between young people and the police, who in this context are represented in the best way, in most cases, by safer neighbourhood officers, are critical, but above all are the relationships between young people and youth services. We are most likely to build the relationships of trust that ensure that intelligence flows between young people and voluntary or statutory youth services.

One of my big concerns is that the scaling back of youth services is leading to reduced capacity to provide diversionary activity and to work and build connections with those young people, but in addition there is an increasing tendency—this did not start in May 2010, although I sense that it is becoming more entrenched—for so many projects on gangs and young people who are at risk of being drawn into violence to be short-term, piecemeal and fragmented, although I pay tribute to the quality of those projects. In Westminster, the Brathay project works with young men in Queen's Park. The UNCUT project went and came back—but for how long? A local scheme called ENDZ United does mediation work, which is one of the most constructive ways in which we can deal with gang violence, but its funding is for only 30 weeks. It is almost counter-productive for young people to build up a connection with a scheme that will be gone after six months or a year, and those relationships of trust between youth workers and young people are dissipated.

When I talk to young people after such projects end, they respond by saying, "I'm afraid that just goes to show how little anybody cares about us, because no sooner do we get connected with important schemes than they are over." The consistency of project work is critical, as is the scale of the work that we do with young people. Despite the good work that I have mentioned, sadly, Westminster is cutting £225,000 from its youth service this year. Although around £100,000 is being put into various anti-gang initiatives, Westminster managed a few weeks ago to find £100,000 just to replace railings in Sussex gardens, and it has spent £144,000 to send managers on away days. That is a problem with spending priorities.

We need to do better than we have been doing on cross-border liaison. Brent council, which is central, has such major problems on the Stonebridge estate that it has been unable to focus as much as I would like on south Kilburn and Paddington. Kensington council, I am afraid, has something of a head-in-the-sand attitude—it seems to think that it does not have a problem at all.

In conclusion, I want to ask the Minister a few questions. Is he satisfied that there is a coherent, strategic approach to gangs and youth violence across Departments, and if so how is it demonstrated? Will he take steps to satisfy himself that boroughs such as mine that were not previously regarded as high risk do not sink into complacency, but develop their own strategic plans and monitor progress towards them? Will he liaise with his colleagues in the Department for Communities and Local Government and the Department for Education to review the impact of spending cuts on youth services, especially in higher-risk areas? How can the Government help to ensure that interventions aimed at those at risk are not always short-term, fragmented programmes whose premature end undermines so much of the value that may have been achieved? Far too many lives are being lost on our city streets, and an even greater proportion of young lives are being blighted under the shadow of violence, at least some of which is accounted for by the growing problem of gang association.

Stephen Phillips (Sleaford and North Hykeham) (Con): This is an extremely important debate, and I congratulate the hon. Lady on securing it. The House spends an enormous amount of time talking about the bad things that young people are responsible for, of which this is one, but does she agree with me, and no doubt the rest of the House, that there are many things for which young people are responsible that we should, and do, celebrate? Neither this debate nor the bad things we read in the media are indicative of what young people are for.

Ms Buck: I absolutely agree with the hon. and learned Gentleman. In an way, it is because I see so many young people whom I admire and love, and because I see the damage that violence and the fear of it are doing to them that I am motivated to come here and raise this issue. Many—almost all—of the young people whom I see who commit crimes do bad things but are not bad people, and they deserve the chance of an alternative life and rehabilitation.

That is the context. We have heard much about the many tragedies affecting south London, Nottingham, Manchester and so on. That was confirmed again by my hon. Friend the Member for Streatham. I know that many of my parliamentary colleagues will want to return to this issue, but I have to tell the House that when a problem this grave affects even the streets of a place such as Westminster, we have a graver problem than anyone has recognised, and I look to the Government to help us respond to and deal with it.

2.52 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I congratulate the hon. Member for Westminster North (Ms Buck) on securing this debate. I know, from the debates and discussions she and I have had in the Chamber and outside over a number of years, how seriously she takes this issue. I know how keenly she feels about the matters she has brought to the House's attention, and about the need to ensure that the Government, at all levels, are doing all they can to safeguard our communities and the opportunities of young people growing up in them. That is why I appreciate the opportunity to respond to this short debate.

I am pleased to see a number of hon. Members here this afternoon, despite it being a Friday and a time when the House might not normally sit. That underlines the commitment of many people across the House to identifying the solutions—not the short-term fixes, but the long-term sustained effort required to deal with a problem that is complex and has different facets. Those include society, family and the breakdown in certain communities across our country, and it will take a lot of focus, effort and time to get things right. I value the chance that the hon. Lady has given the House to consider these matters.

I pass on the House's thoughts and condolences to all those who have suffered as a consequence of youth violence and violent crime, whether in London or across the rest of the country. I obviously note that the hon. Member for Streatham (Mr Umunna) is in his place this afternoon, and our thoughts are with the family of Nana Darko-Frempong. That is a recent tragic case of a young life being cut short. I recognise the hon. Gentleman's efforts to bring this matter to the House's attention not just today or this week, but over an extended period. He has done that in a measured and non-partisan way. He should be congratulated on the work he has done.

Although the overwhelming majority of young people are law-abiding and responsible citizens, sadly a small minority engage in intimidating and violent behaviour. Their actions can have a terrible and lasting impact on the lives of victims, their families and local communities, as the hon. Lady acutely highlighted. There are a range of issues being addressed—I will talk later about those issues—through the work that the Government are doing, as well as through the local action that Westminster city council and other councils are undertaking, along with the Mayor of London, to deal with what is a serious problem.

The Centre for Social Justice review of street gangs in Britain, "Dying to Belong", which was published in 2009, found an increase in gang culture and associated violence in Britain over the previous decade. The report found that the composition of gangs and the nature of gang culture had shifted. Gang members are getting younger, and geographical territory is an increasingly important factor, which is related to the concept of the "postcode beef"—that is, the lines in the road that we do not see, but which young people do, and the impact that has on their ability to use community facilities and live their lives normally in the way that we did when growing up in our communities. The report also found that violence is increasingly chaotic and without sense.

We face specific challenges in relation to gangs and youth violence, but it is important to put the issue in context, as the hon. Lady did. Overall levels of violence have fallen by around 56% since 1995. The most recent recorded crime statistics show a 6% reduction in police recorded violence against the person in the 12 months to December 2010, and an 11% reduction in offences of

[James Brokenshire]

actual or grievous bodily harm involving knives or sharp instruments. Data published by Professor Jonathan Shepherd also show a 16% reduction in accident and emergency department admissions as a result of violent assault among teenagers over the same period. In addition, the British crime survey report on "Children's experience and attitudes towards the police, personal safety and public spaces", which was published last month, found that only 1% of 13 to 15-year-olds said that they had carried a knife for protection in the last 12 months. However, that is 1% too many. Any child carrying a knife is a matter of extreme concern, and when young people are drawn into gangs and violence, we need to take all possible action to stop this happening. The Government are committed to making our communities safer places for everyone.

Last June, the Prime Minister and the Home Secretary asked Brooke Kinsella, whose brother Ben was tragically murdered in 2008, to undertake a fact-finding mission about schemes in local communities that are working to stop young people committing violence, including violence using weapons. Brooke's report, "Tackling knife crime together—a review of local anti-knife crime projects", was published in February. Her recommendations include anti-knife crime awareness in schools; better information-sharing between police, schools and other agencies on local issues; a best practice website for local organisations; and more work with young children to stop them getting involved in youth violence.

Responding to Brooke's report, the Home Secretary announced a substantial funding package for anti-knife crime initiatives over the next two years. The package is fully in line with Brooke's recommendations and includes £10 million for prevention and diversionary activities, and engagement with young people at risk of becoming involved in crime; £3.75 million for London, Manchester and the west midlands, the three police force areas where more than half the country's knife crime occurs; £4 million for a "Communities against gangs, guns and knives" fund to help local voluntary organisations across England and Wales work with young people to stop involvement in knife and gang violence; funding to provide free materials to schools to help young people keep themselves safe from knife and gun crime; and £250,000 for the Ben Kinsella fund, to be administered by the Prince's Trust, for young people to run anti-knife crime projects in their local areas.

The funding will support vital police work where it is most needed too, and, most importantly, will give support to young people and local voluntary organisations working at the heart of our communities, because we need to look at this issue in that context too—a point that the hon. Lady also made. Indeed, I noted her comments about Westminster city council and getting local join-up. I was interested to note that Westminster is developing relationships with the youth offending teams in Kensington and Chelsea and in Brent, as well as with the safer neighbourhood teams. It has established a monthly gang meeting to identify problematic young people who offend or cause trouble in neighbouring boroughs and to share information and intelligence on those young people.

The hon. Lady made it clear that there is a need for a cross-over between council areas and communities and for a joined-up approach to ensure that information can be better shared between agencies within a local council area and, when a pervasive problem spreads beyond that area, in a way that will bind the process together more effectively. It certainly sounds as though there is more work to be done, although I was pleased to note that that thinking was taking place, and that the problem is being looked at in a broader context to ensure that the solutions are more effective.

As well as preventing young people from getting involved in violence and gang activity, action must be taken against those who break the law. To help local agencies to prevent gang-related violence, the Government introduced a new type of injunction across England and Wales in January. I went to Waltham Forest to launch the gang injunctions at the time. Initially for use against adults, gang injunctions give the police and local partners an additional tool to prevent serious violence and, above all, to protect the community. These injunctions allow the courts to require gang members to keep away from other gangs' territories or to participate in activities to get them out of gangs. The first gang injunction was obtained by Southwark council in February, and it stopped one particular gang member entering a specific area and mixing with other gang members. We are aware of other action being taken as well.

The Home Secretary's "guns, gangs and knives" round-table seeks to bring together all those who have a valuable role in developing the work on youth violence, including the work on the involvement of women and girls in gangs. It therefore provides a top-level way of bringing this together and engaging the Home Office in these matters. I pay tribute to all those working in this arena to prevent gang crime and youth violence. I want to assure the hon. Lady of this Government's commitment to freeing up local areas so that they can tackle this problem in the way that works best for them. I also want to thank all those who work so hard to keep our communities safe.

3.2 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 13 June 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

NINETIETH BIRTHDAY OF HRH THE DUKE OF EDINBURGH (ANSWER TO ADDRESS)

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported to the House, That Her Majesty, having been attended with its Address of 8 June, was pleased to receive the same very graciously and give the following Answer:

I have received your address concerning the ninetieth birthday of His Royal Highness the Duke of Edinburgh. It gives me great pleasure to hear of the loyal affection and regard of the House, the nation and the Commonwealth on this special occasion, and I welcome your intention to send a message to His Royal Highness.

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Employment (Young People)

1. **Stuart Andrew** (Pudsey) (Con): What steps his Department is taking to support young people into work. [58781]

14. **Andrew Stephenson** (Pendle) (Con): What steps his Department is taking to support young people into work. [58795]

The Minister of State, Department for Work and Pensions (Chris Grayling): Work experience and apprenticeships are central to improving the prospects of young unemployed people. In this year's Budget the Chancellor announced funding for an additional 80,000 work experience placements, with eligibility widened to cover the 18 to 24 age group. In addition, we have announced tens of thousands of new apprenticeships. We will also be providing early access to the Work programme for young people from the most challenged backgrounds.

Stuart Andrew: I am grateful to the Minister for that answer. When the previous Government left office, apart from the record deficit, they left an extra 270,000 young unemployed. How are the Government working with business to ensure that new apprenticeships are what our economy needs to tackle youth unemployment and that we do not repeat the mistakes of the previous Government?

Chris Grayling: The Government have a very proactive campaign to engage employers, working with them to identify work experience places for young unemployed people. We have already located many thousands of opportunities for young people to gain their first foothold of experience in the workplace. In addition, my colleagues at the Department for Business, Innovation and Skills are working hard to engage employers in providing apprenticeship opportunities. So far they are being particularly successful in doing so and have met their targets for apprenticeships.

Andrew Stephenson: I welcome what my right hon. Friend has said about the importance of apprenticeships. There are 615 unemployed young people in my constituency. What other measures will he put in place to ensure that those young people have the skills they need to compete in the workplace?

Chris Grayling: The other policy that we will be introducing later in the summer is work academies, which will provide a mix of a short-term segment of training and a period of work experience, again designed to provide young people with a first foothold in the workplace and to give opportunities to those who do not have previous qualifications with a view to trying to get them into employment and build a lasting career.

Mr Frank Field (Birkenhead) (Lab): May I congratulate the Minister on his statement today and on his announcement that the new Work programme comes into force around now? Does he accept, however, that at a time when there is a shortage of jobs, the new providers might well be placing in jobs those who find it easiest to get jobs anyway, and that we need a back-up scheme to ensure the involvement of those who find it most difficult to get jobs or who do not want to work? Will he keep his mind open about reintroducing at some stage the future jobs fund—not that he will do so under that name, but under a Tory name?

Chris Grayling: I am very grateful to the right hon. Gentleman for his comments. I do accept that there is a challenge in placing some people into work, which is why we have created a differential pricing structure to reflect the challenge of getting them into the workplace. The problem with the future jobs fund was the cost relative even to the outcome costs of other programmes run by the previous Government. Of course, in straitened financial times we have to seek not only what works in employment terms but what is affordable.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Will the Government reinstate Labour's jobs guarantee to ensure that young people are offered a job or training place after six months out of work?

Chris Grayling: What the hon. Lady does not understand is that Governments do not create jobs. Governments have to create an environment in which jobs are created by the private sector. Our job is to ensure that unemployed people are in the best possible position to take advantage of jobs when they are created by employers. It has been encouraging over the past few months to see the private sector creating far more full-time jobs, and I hope that that continues.

Universal Credit (Child Care)

2. **Graham Jones** (Hyndburn) (Lab): Whether his plans for universal credit will ensure that people are better off in work after payment of child care costs. [58782]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): We recognise the vital role that child care plays in supporting parents into work. As the hon. Gentleman is aware, we have set out a consultative process with some options for child care within universal credit, as I said we would. Alongside that, we have committed to spend all the money available in the current system for child care. It remains our intention that everyone moving into work will be better off when child care is included. People who transition into work will certainly be better off than under the current system.

Graham Jones: Will the Secretary of State ensure that parents who work more than 16 hours a week will continue to get child care support to allow them to continue in work?

Mr Duncan Smith: If the hon. Gentleman looks at our consultation, he will see that our plan is to spread the money to ensure that parents who choose to work for any number of hours—not just 16 hours, but across the board—can go into work and get the necessary support. I therefore think that the answer to the question is yes, and we are also keen to support parents who work fewer hours.

Charlie Elphicke (Dover) (Con): Will the Secretary of State tell the House what effect universal credit will have on child poverty and wider forms of poverty?

Mr Duncan Smith: We estimate that universal credit as a static system, not even taking into account any dynamic effect, will lift 900,000 people out of poverty, about 350,000 of whom will be children. It is worth remembering that under the present child care systems that people have spoken about, at least 100,000 people do not get the child care for which they are eligible. Under universal credit, the take-up will be higher, so it will have a better effect.

Stephen Timms (East Ham) (Lab): The Secretary of State is right to recognise that support for child care is key to whether parents are better off in work or out of work. However, he promised the Welfare Reform Public Bill Committee that the Government's proposals on child care support would be available before the Bill left Committee. That promise has been broken; he has simply been able to provide only a discussion of the options. When will he get a grip and come up with a policy?

Mr Duncan Smith: I will get a grip the moment the right hon. Gentleman's team decide whether they are in favour of the Bill or against it. I gather that the Leader of the Opposition has today moved like a wriggly worm and decided that he is both for and against it, which is really not surprising. The point of bringing forward our proposals is that the right hon. Gentleman and everybody else will have a chance to look at them and decide whether they agree with them. After the consultation, we will make it clear what our final proposals are. I think that that is fair. Last time, he complained that we did not consult him—he ought to make his mind up.

Workplace Health and Safety

4. **Ian Lavery** (Wansbeck) (Lab): What estimate the Health and Safety Executive has made of the annual cost to the economy of inadequate workplace health and safety. [58784]

The Minister of State, Department for Work and Pensions (Chris Grayling): The Health and Safety Executive estimates that the annual cost to Great Britain of workplace injuries and work-related ill health is currently in the order of £20 billion.

Ian Lavery: Last year, there were 152 fatalities and 26,000 major injuries in the workplace and more than 800,000 people suffered a work-related illness. As a consequence of the cuts, the HSE has withdrawn a large number of workplace inspections. How will the Government ensure that those figures do not increase year on year?

Chris Grayling: As a former union official, the hon. Gentleman will know that the biggest challenge we face is employers who cut corners and break the rules. I would have thought that he would welcome a change in policy that focuses health and safety inspections not on low-risk, good employer sites, which have taken up so much resource in the past, but on employers who are not playing by the book and who endanger their employees and the public. That is where I want our regulatory effort to focus.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): As my right hon. Friend has said, we all agree that health and safety legislation, when applied correctly, is very useful and important, but does he also agree that when it is applied inappropriately and gold-plated, it can cost jobs and damage the economy?

Chris Grayling: I absolutely agree. Let me be clear that I believe it is extremely important to get health and safety right. As the hon. Member for Wansbeck (Ian Lavery) suggested, we need to protect people against real dangers in the workplace. However, we have to understand that if the system is over-bureaucratic, it will lead to the closure of businesses and cost jobs, and that does nobody any favours. The job of Government is to find the right balance, and that is what we seek to do.

Universal Credit (Transitional Payments)

5. **Mr William Bain** (Glasgow North East) (Lab): What arrangements he plans to put in place for transitional payments for those who will be affected by the introduction of universal credit. [58785]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): A package of transitional protection is being developed to ensure that there will be no cash losers as a direct result of the move to universal credit where circumstances remain the same.

Mr Bain: I note the Secretary of State's reply, but has he not taken into account the criticisms made of the policy by Family Action? They are, first, that it will not apply to new recipients; secondly, that changes in circumstances leading to the loss of cash protection have not been sufficiently defined; and most importantly, that the failure to give a commitment to uprating cash protection in line with inflation could mean up to 400,000 people losing out in real terms as a result of the policy.

Mr Duncan Smith: I hear what the hon. Gentleman says, but I would have thought he would welcome the idea that as we move to the new benefit, we are planning to cash-protect those who are already in receipt of other benefits. I do not think I really need to take too many lessons from his party, because when it scrapped the 10p tax band, it did not cash-protect anybody.

Matthew Hancock (West Suffolk) (Con): Will the Secretary of State accept that in ensuring that the transition means that people are cash-protected, he is managing to introduce the universal benefit, which would otherwise be almost impossible to do? That universal benefit will be of benefit to the work incentives of people up and down the country.

Mr Duncan Smith: I am glad that my hon. Friend is more welcoming of the policy than the hon. Member for Glasgow North East (Mr Bain). Cash protection is there to protect those whose circumstances mean that they may have lost out slightly in the change to universal credit. They will not, because we will ensure that they are smoothed into the universal credit system unless there is a significant change in their circumstances. That is a positive gesture from the Government, and as I said, we do not need any lessons from Labour Members, who did not cash-protect people who were damaged when they scrapped the 10p starting rate.

Margaret Curran (Glasgow East) (Lab): Notwithstanding the fact that, as we have heard, the Government intend to provide transitional protection, will the Secretary of State explain why, for new claimants, their plans to abolish the disability element of child tax credit and replace it with a disability addition will mean a cut of 50% for families with disabled children? According not to Labour Members but to Family Action, that means that families with one disabled child, who are people in great need, are in line to lose £1,400 per annum. Why are disabled children bearing the costs of the Government's welfare reforms?

Mr Duncan Smith: I must say to the hon. Lady that they are not. Actually, our adjustments have been welcomed because they mean that more disabled people in difficult family circumstances will find themselves benefiting to a higher degree. Our changes will work well with universal credit. Also, the whole idea of bringing more disabled people into the work force has to be a good thing, or perhaps she disagrees with that.

Pensioner Poverty

6. **Caroline Dinenage** (Gosport) (Con): What steps he is taking to improve the measurement of pensioner poverty. [58786]

The Minister of State, Department for Work and Pensions (Steve Webb): We recognise that poverty is about more than income and have introduced a new pensioner material deprivation indicator. It takes into consideration both financial and non-financial elements of poverty, such as ill health and social isolation. It offers a more direct measure of living standards and, used alongside low income measurements, will provide a greater understanding of pensioners' experiences of poverty.

Caroline Dinenage: I am very proud that many people choose my constituency to retire to, and I am extremely grateful for all the measures that the Government have taken so far to address the horrific levels of pensioner poverty bequeathed by the previous Government. However, the proposed almost double-digit price rises by energy companies threaten to undermine those measures. What more can be done to address that problem?

Steve Webb: My hon. Friend is right that keeping a home adequately warm is an important part of the standard of living of pensioners. That is why it is included in the broader measure of poverty that we will introduce. I echo the words of my right hon. Friend the Energy Secretary, who said at the weekend that faced with double-digit price rises, we would encourage as many people as possible to shop around so that they do not have to pay those prices and can use the market to their advantage.

Kevin Brennan (Cardiff West) (Lab): The previous Government tackled pensioner poverty with great rigour and success. How can we be assured that in changing the measures of pensioner poverty, the current Government are not simply trying to cover up a failure of their own policies? What assurances can the Minister give the House about the changes?

Steve Webb: I am grateful to the hon. Gentleman for his question. The idea of measuring pensioner poverty in terms of material deprivation is supplementary to the income measures, and we will continue to publish both. I am sure he would accept that being just a penny or two above an arbitrary income level does not mean that people have a good standard of living if they are isolated or lonely. We aim to address all facets of pensioners' quality of life.

Health and Safety Legislation

8. **Michael Ellis** (Northampton North) (Con): What recent progress he has made on reform of health and safety legislation. [58788]

The Minister of State, Department for Work and Pensions (Chris Grayling): On 21 March, I announced an immediate review of health and safety regulation with a view to finding ways to simplify the regulatory burden on business. That review is being chaired by Ragnar Löfstedt, the professor of risk management at King's College, London. He published a call for evidence on 20 May, the closing date for which is 29 July. We hope to publish the findings of the review later this year.

Michael Ellis: Some of the most inappropriate and burdensome health and safety recommendations on business come from unqualified, cowboy consultants. My right hon. Friend the Home Secretary is getting rid of cowboy wheel clampers; what are the Government doing to tackle those cowboy health and safety consultants?

Chris Grayling: I very much agree with my hon. Friend. At the beginning of April, we launched a new online register of qualified health and safety consultants, precisely with a view to stamping out the cowboys. I want businesses and other bodies that need consultancy advice to work with qualified people who are capable of advising on what the law actually says, rather than working with people who would like to argue that the law does something they claim it says.

Mr George Howarth (Knowsley) (Lab): While the Minister is considering what reform to health and safety legislation might be necessary, I hope he will take into account the problems that the Health and Safety Executive has had at Sonae in my constituency. A major fire incident over the last few days has covered much of the industrial area as well as residential areas in acrid black smoke. Will he assure me that the HSE will work with the local authority, Knowsley council, the fire service and everybody else in the town, because we have reached the conclusion that this place should be closed down?

Chris Grayling: I am aware of the very unfortunate incident in the right hon. Gentleman's constituency. I cannot comment specifically on that investigation, but I can assure him that the HSE is investigating carefully what happened. Clearly, lessons must be learned. However, that underlines my view that the HSE should concentrate its resources on dealing with genuinely serious incidents and problems, and not on trivial matters.

Couple Penalty

9. **Kate Green** (Stretford and Urmston) (Lab): What his policy is on the couple penalty in the benefit system. [58790]

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): The Government are committed to reducing disincentives in the benefit system. The universal credit provides an enhanced earnings disregard for couples which, along with the taper, will help low-income couples to keep more of their earnings in work. Obviously, over time, it is our intention to work further to reduce the penalty.

Kate Green: A widow and a widower each with two children who form a new couple relationship and decide to live together could be £9,000 worse off as a result of the proposed benefits cap. Given reports over the weekend of confusion among Ministers on the fate of the benefits cap, will the Secretary of State assure us that such a couple would not face a couple penalty?

Mr Duncan Smith: Clearly, we do not, as the hon. Lady makes out, want to make anybody face any further induced couple penalties. Our plan is to ensure—over a period of time, but particularly in this Parliament—that we work to erode the couple penalty. However, it is worth reminding her specifically what happened under the previous Government, because the baseline that we have accepted is important. The OECD pointed out that a couple needed about 75% of the income of two single people, but the previous Government left them only 60% of those earnings. In other words, the previous Government took far more from couples than most other countries did. That is why we are in difficulty. She should reflect on that when she asks such questions.

Work Programme

10. **Priti Patel** (Witham) (Con): What recent progress he has made on the contracting arrangements for the Work programme. [58791]

The Minister of State, Department for Work and Pensions (Chris Grayling): I am pleased to tell the House that as of today, all bar four of the contract package areas for the Work programme are fully operational; that many thousands of claimants have already been referred to the programme; and that the first two job outcomes have been achieved in one contract package area, where the provider was particularly quick off the ground.

Priti Patel: Will my right hon. Friend join me in congratulating the providers that are participating in the Work programme? Does he agree that by involving that diverse range of providers, we can tackle the culture of welfare dependency and worklessness that grew under Labour, and ensure that work pays?

Chris Grayling: I absolutely agree with my hon. Friend. One encouraging thing about the Work programme is the vast diversity of organisations taking part—from big international organisations to small businesses; and from some of our bigger more prestigious charities, such as the Prince's Trust, down to individual charities—even a walled garden project is involved in Yorkshire—and many of our local colleges. Together, they can make a huge difference in what is a revolutionary approach to the problem of long-term unemployment in this country.

Dame Anne Begg (Aberdeen South) (Lab): The Minister will remember an exchange of correspondence that he had with the Select Committee about TUPE cover. Now that the Work programme has gone live, the confusion over which posts will enjoy TUPE protection has continued. Of two contractors in the same area, one says that TUPE does apply and the other says that it does not—in some cases, to the same workers in some of the subcontracting companies. I urge the Minister to clarify this issue and ensure that his Department sets out clear advice about which positions have TUPE protection and the rules regarding people working in the Work programme.

Chris Grayling: The hon. Lady needs to remember that in many cases the programmes that we are replacing are very different to the Work programme. Pathways to work, for example, was simply six work-focused interviews. There will be cases in which TUPE does not apply. We have been very clear in saying to the providers that it is a matter between the providers themselves, the individuals and the former employers to resolve when and where it applies. It is not for the Department to offer legal advice to providers.

James Morris (Halesowen and Rowley Regis) (Con): I welcome the speed with which the Work programme's contracts have been put together, but some small voluntary organisations in my constituency who took an interest in it were not successful. Will the Minister reassure them that there will continue to be opportunities for them to play a role in getting people back into work more informally?

Chris Grayling: I can indeed. First, there will be further opportunities to contract to provide support for the Department. In addition, we do not believe that the supply chains to the Work programme providers are fixed in stone in perpetuity. The whole nature of the Work programme makes it desirable for the prime contractors to look for the best in the business at getting people into work. If any organisation is excellent, I am sure that it will find its way into the programme, even if it has not done so yet.

Youth Unemployment

11. **Michael Dugher** (Barnsley East) (Lab): What recent assessment he has made of future trends in youth unemployment. [58792]

The Minister of State, Department for Work and Pensions (Chris Grayling): The independent Office for Budget Responsibility forecasts that unemployment will fall from its current level of 2.5 million to around 2 million by 2015. There is no separate forecast for youth unemployment, but over the medium term this would be expected to follow a broadly similar trend.

Michael Dugher: Fewer than 14% of my constituents are aged between 18 and 24, but this age group accounts for 35% of people looking for work. What is the Minister doing to ensure that private contractors in the new Work programme will not simply cherry-pick those areas of the country where it is easier to get young people into work and ignore areas performing less well economically, such as my constituency?

Chris Grayling: I would like to reassure the hon. Gentleman. One of the things that we wondered as we went in to the contracting process was whether we would see a difference in the level of interest between different areas of the country, depending on the nature of the local labour market. That was not the case: the competition was equally intense across all areas. I hope that the presence of the Work programme, offering young people support after nine months—and in some cases after three months—of unemployment, combined with the additional support that we are providing though Jobcentre Plus to provide work experience opportunities for young people, will make a significant difference to their prospects as the months go by.

Robert Halfon (Harlow) (Con): Does my right hon. Friend agree that the best way to deal with youth unemployment is not just through the 250,000 apprenticeships, but the roll-out of the 24 university technical pre-apprenticeship schools around the country?

Chris Grayling: I do indeed agree. Those schools, the increased numbers of apprenticeships, the work experience scheme, the support being provided through the Work programme and the additional measures we have announced recently to support 16 to 18-year olds all show that we have a Government who recognise the problem of youth unemployment, understand its severity and are doing something about it.

Mr Iain Wright (Hartlepool) (Lab): Does the Minister think that the record level of youth unemployment has been made worse by the botched ending of the Connexions career service, which was withdrawn with no replacement put in place? No transition plan has yet been put into place.

Chris Grayling: The hon. Gentleman talks about the causes of youth unemployment. He should look back to when the current increase started in 2003-04, in the good years under the previous Government. He should ask why their policies failed so badly.

Disability Living Allowance

12. **Harriett Baldwin** (West Worcestershire) (Con): What recent meetings he has had on reform of disability living allowance. [58793]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): Throughout the development of the new personal independence payment, which will replace disability living allowance, we have had extensive discussions and consultation with disabled people, their families and organisations representing them. The insight of organisations such as RADAR, Mencap, Scope, the United Kingdom Disabled People's Council and People First into how disability living allowance can fail to support disabled people is immensely valuable. We will continue to work closely with disabled people and their organisations as the detail of the assessment criteria is developed and tested.

Harriett Baldwin: On the recent "Hardest Hit" march, I met constituents who had the impression that disability living allowance was to end altogether and would not be replaced by the personal independence payment. Does the Minister agree that in representing these disabled constituents, organisations have to ensure that they communicate clearly with those who might be affected, who are some of the most vulnerable in our society?

Maria Miller: My hon. Friend is absolutely right. It is important that the organisations working with us in the development of the new personal independence payment use that opportunity to ensure that the people whom they represent are well informed. We need a new approach to disability living allowance. The Labour party has already agreed with that, although we are still waiting to hear exactly what the Opposition's plan would be.

Fiona Mactaggart (Slough) (Lab): The organisations that the hon. Lady read out quite quickly sounded like organisations representing people whose conditions do not vary hugely. There are people on disability living allowance who have conditions, such as multiple sclerosis, that can get hugely better and hugely worse. How much conversation has she had with organisations representing people with fluctuating conditions as well as those with progressive conditions?

Maria Miller: The only reason I read the list out quickly was not to incur the wrath of Mr Speaker.

I would like to reassure the hon. Lady that I absolutely understand her point. Indeed, I am meeting organisations representing many people with fluctuating conditions. Importantly, we are also considering the findings of the work capability assessment to see how we can build into the new personal independence payment a way of ensuring that people with fluctuating conditions are well served.

State Pension Age (Women)

13. **Lorely Burt** (Solihull) (LD): What assessment he has made of the effects on women born between 6 March and 5 April 1954 of his proposals to increase the state pension age. [58794]

The Minister of State, Department for Work and Pensions (Steve Webb): Our proposed changes will equalise women's pension age with men's more rapidly than previously planned. Under the Government's proposals, women born on 6 March 1954 will have a pension age of 66 and those born between 7 March and 5 April 1954 will have a pension age of up to a month less.

Lorely Burt: I highlight the plight of 33,000 women born in one month in 1954 who will be the worst affected under the pension retirement rules. In total, 500,000 women will be affected by one year or more than expected. When they get their pensions, they will be a lot better off than they would have ever been under the Labour party, but what can we do for women in this particular group, who will have to wait an additional two years for their pension?

Steve Webb: My hon. Friend raised this important issue, I think, in last Wednesday's debate when we were startled when she declared an interest in the question. Were we to address the concerns of that group of 33,000 women, we would find that women born one month before or after—who might be affected by a few months less, but still significantly—would ask for a change as well. The short answer is that to delay the whole thing till 2020, as some have suggested, would require an additional £10 billion to be found. She will understand why that is not possible.

Rachel Reeves (Leeds West) (Lab): The early-day motion calling on the Government to rethink these unfair changes to the pension system has been signed by 180 hon. Members, including 23 Liberal Democrats and three Conservatives. More than 10,000 people have presented a petition to Downing street asking the Government to think again, and the campaign is backed by Age UK and Saga. If the Government can U-turn on forests and, just last week, announce a U-turn on sentencing, surely they can listen and act upon the concerns of women now approaching retirement with fear and trepidation.

Steve Webb: To the extent that we know what the hon. Lady's policy is, it appears to be: to put it off for a decade. Unfortunately, one of the problems with the previous Government's approach on so many difficult issues was to put them off and assume that somebody else would pay. On pensions, that would require another £10 billion to be paid by tomorrow's national insurance payers. Does she think that that is a fair burden, given that the people retiring shortly will benefit from the greater longevity?

Mr Speaker: I am much obliged to the Minister.

Costs of Disability

15. **Sheila Gilmore** (Edinburgh East) (Lab): What estimate he has made of the costs incurred by a disabled person in the three months following diagnosis of their disability. [58796]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): No such estimate has been made. Perhaps I should gently remind the hon. Lady that disability living allowance generally, and personal independence payments absolutely, are not related to a medical diagnosis. They are about considering people as individuals and looking at the impact of their disabilities on their ability to live independent lives. Circumstances, needs and costs will vary from individual to individual, and do not necessarily correlate to a diagnosis.

Sheila Gilmore: In Committee, the Under-Secretary said that the reason for the proposal was not savings and that she did not expect to make any savings from it. Yet people who fall ill with sudden onset conditions incur additional costs. They are not long-term unemployed or welfare dependent. Why is she making the change if not to make savings?

Maria Miller: I think what I said in Committee was that there would be some savings but that they were modest. The principle of a six-month qualifying period was not intended to deny disabled people help in the short term. That help currently comes mainly but not exclusively from means-tested support, with the personal independence payment starting when costs become a burden to people, regardless of their income. That is why it is not means-tested.

Andrew Bridgen (North West Leicestershire) (Con): Will the six-month qualifying period allow for special cases, such as people with a terminal illness, who might not survive six months?

Maria Miller: I can absolutely assure my hon. Friend that that will be the case and that we will carry forward that provision from disability living allowance.

Ms Karen Buck (Westminster North) (Lab): I am sure that it is not the Government's intention in time-limiting employment and support allowance—the other disability-related benefit—to leave nearly 7,000 cancer patients potentially up to £94 a week worse off. Today, Macmillan Cancer Support and others warn that that is exactly the consequence of the Government's policy. Will the Under-Secretary take the opportunity of the Report stage of the Welfare Reform Bill to modify that damaging policy?

Maria Miller: The hon. Lady has asked about employment and support allowance. We will obviously ensure that people in the most difficult circumstances continue to receive the support they require through the support group. For disability living allowance, it is absolutely vital that we do not analyse people on their condition, but examine the problems that they encounter in living independent lives. I think that she would expect us to do that.

0845 Numbers

16. **John Pugh** (Southport) (LD): What recent representations he has received on his Department's use of 0845 numbers; and if he will make a statement. [58797]

The Minister of State, Department for Work and Pensions (Chris Grayling): The Department—and, indeed, I myself—has received several communications from customers and their representatives asking about our policy on the use of 0845 numbers and whether we have considered changing to 0300 and/or geographical numbers. In the wake of those representations, I have asked the Department to undertake an internal review about our use of 0845 numbers and see what other options might be available to us.

John Pugh: I thank the Minister for that response, but given that benefit clients normally have no access to a landline, that calls from mobiles can cost as much as 40p and that they could be kept waiting for information on crisis loans and disability, should we not do more and consider talking to the Telephone Helplines Association about that to make faster progress than we are currently achieving with 0300 numbers?

Chris Grayling: I agree with the hon. Gentleman. We offer a ring-back service to anybody who is concerned about the cost of the call that they are making. None the less, there is a genuine problem and I have asked the Department to consider it and ascertain whether better options are available, particularly given the number of claimants who use mobile phones.

State Pension Age (Women)

17. **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): What recent representations he has received on his policy on the date at which the state pension age for women will start to rise. [58798]

The Minister of State, Department for Work and Pensions (Steve Webb): Several stakeholder groups, as well as individuals, have expressed concern about the changes we propose, although the majority of commentators agree that we need to increase the state pension age more quickly.

Cathy Jamieson: I wonder whether the Minister knows that some 1,200 women in my constituency will lose out. Does he understand that they are angry and feel cheated that pension payments, which they had every reason to believe they had paid for and were due will now not be paid to them? What does he say to those 1,200 women?

Steve Webb: Perhaps a generation ago, those very women would have expected to draw a state pension for about six years less—that is a significant change that they have seen in their working life. They will still get the state pension for exactly the same time as someone a generation ago would have expected. We are trying to be fair between the generations and not load all the cost on the next generation.

Mr Alan Reid (Argyll and Bute) (LD): The coalition agreement talks about equalising the state pension in 2020. Bringing forward the date to 2018 will not help to meet the Government's target of getting the public finances in balance by 2015, but it will adversely impact a large number of women at very short notice. Will the Government think again and revert to the coalition agreement?

Steve Webb: My hon. Friend has raised this issue with me before in debate, and although he is correct that the savings do not fall in the comprehensive spending review period, I would draw his attention to one number. Under previous projections, the national debt at the end of this Parliament was £1.4 trillion. If we were to delay the change, we would have to add another £10 billion. Someone has to get a grip on the national debt.

Nick Smith (Blaenau Gwent) (Lab): What notice does the Minister believe is required of changes to the state pension age?

Steve Webb: I am grateful to the hon. Gentleman for raising that question; indeed, we asked that very question in our Green Paper. We are looking at future changes to the state pension age, to 67 and 68, which are already legislated for. We believe that that needs to happen sooner. We are currently consulting and reflecting on the right balance between taking account of changes in longevity and giving people fair notice, and we would welcome the hon. Gentleman's input on that point.

Housing Benefit (Shared Accommodation)

18. **Mr Adrian Sanders** (Torbay) (LD): If he will assess the potential effect on the level of homelessness of the extension of the shared accommodation rate for housing benefit to single people aged under 35 years. [58799]

19. **Mr David Ward** (Bradford East) (LD): If he will assess the potential effect on the level of homelessness of the extension of the shared accommodation rate for housing benefit to single people aged under 35 years. [58800]

The Minister of State, Department for Work and Pensions (Steve Webb): An equality impact assessment on this measure was published on the DWP website on 9 May 2011, but it does not contain a specific estimate of the impact on homelessness, because we cannot anticipate the behaviours of tenants or their landlords.

Mr Sanders: One of the big problems across the board for people aged under 35 is that, because of where they live geographically, or because of medical reasons or their lifestyle, they might simply be unable to reduce their housing costs and share, and therefore could face eviction. That would put more pressure on local authority housing departments, which are already under pressure because of the lack of affordable housing. Do the Government have any plan to help those local authorities meet those increased pressures?

Steve Webb: We do indeed, and my hon. Friend, who has a strong track record on housing issues in this House, raises an important point. Over the next four

years we will add a total of £190 million to the money going to local authorities, around two thirds of which will be discretionary payments to help just the sort of difficult cases that he mentions, plus other funding for local government to assist them.

Mr Ward: I welcome that answer, but is it not likely that perhaps a third or more of the discretionary housing payments budget will be required for the disabled alone—and that is without considering other vulnerable groups—if local authorities decide to use it to stop them being forced to share? Is there not a case for simply exempting certain groups from the change altogether?

Steve Webb: I can assure my hon. Friend that certain disabled groups have a blanket exemption: those who qualify for the severe disablement premium are automatically exempted from these proposals.

Hywel Williams (Arfon) (PC): There is a particular problem in rural areas, where the housing stock is inflexible and where it is difficult to provide rooms for under-25s, let alone under-35s, as the North Wales Housing Association pointed out to me recently. It fears the drift to HMOs—houses in multiple occupation—particularly in seaside towns and urban areas. Can the Government introduce any flexibility on this issue?

Steve Webb: Although HMOs are one response to the problem, young people will have a range of alternatives, which will differ from individual to individual. For example, one third of single people aged 25 to 34 live with their parents. I recognise that this is not an option for some, but it may be an option that others will take up. Some will use the Government's "Rent a room" scheme—whereby an owner-occupier will rent out a room, from which they can get more than £4,000 tax free—and some may be able to rent a room from a social landlord, which is something that we are looking to explore more.

Mr Speaker: I call Tony Lloyd. Not here. I call Mr Gerry Sutcliffe. Not here.

Benefit Payments (EU Nationals)

22. **Mr Philip Hollobone** (Kettering) (Con): How many nationals of other EU member states are in receipt of benefits provided by his Department. [58804]

The Minister of State, Department for Work and Pensions (Chris Grayling): One of the things that I was surprised to discover in the past few weeks is that the Department does not keep any record—nor, indeed, did it under the previous Government—of the nationality of people who claim benefits. This is something that we are moving to address; indeed, we want to find a way to ensure that we do so.

Mr Hollobone: It is indeed a scandal that we do not know how many EU nationals are claiming benefits funded by the British taxpayer. Is it not completely wrong for an eastern European citizen to be working in this country, with his family and children back home in Poland or wherever, and to be claiming and receiving child benefit at the British taxpayer's expense?

Chris Grayling: My hon. Friend puts his finger on one of the anomalies of the European system which is causing concern not just in this country, but in other capitals around Europe. I have had many conversations in the last few months with fellow Employment Ministers in other EU countries, and there is a mounting debate about the need for rule changes that will set out exactly when and where benefits should and should not be paid.

Youth Unemployment

23. **Mr David Hanson** (Delyn) (Lab): What steps his Department is taking to reduce the level of youth unemployment. [58805]

The Minister of State, Department for Work and Pensions (Chris Grayling): The issue of youth unemployment is one that the right hon. Gentleman would know, if he had listened to my earlier answer, is of great importance to this Government and the nation. We are taking urgent steps to seek to address it.

Mr Hanson: Despite excellent apprenticeship schemes such as the one at Airbus near my constituency, which employs about 100 apprentices a year, youth unemployment in Wales is, sadly, still higher than anywhere else in the UK as a whole. Given what the Minister said earlier about potential jobs being created, in the absence of a strong regional policy and with the scrapping of Labour's job schemes, how can he guarantee that the jobs for young people will go to where the most young people are unemployed?

Chris Grayling: We need two things to solve the problem of youth unemployment. We need a strategy for growth, which was at the heart of the Budget put forward by my right hon. Friend the Chancellor of the Exchequer a few weeks ago. We will continue to seek measures that will encourage business to grow, develop and create jobs in this country. Alongside that, we will continue to pursue measures, through work experience, the Work programme and other arrangements to support young people to make sure that they are as well equipped as possible to take advantage of those vacancies wherever in the United Kingdom they arise and wherever in the United Kingdom they live.

Topical Questions

T1. [58806] **Rosie Cooper** (West Lancashire) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith): Last week, we launched the Work programme—the biggest single such programme that the UK has ever had. It contrasts with the number of confusing and sometimes prescriptive provisions offered previously. We are adopting a personalised and flexible approach, which the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) spoke about earlier. It will involve paying providers by results, which we have explained, and will give them the freedom to innovate. The Work programme will deliver, we believe, effective and cost-effective support to help claimants into sustainable employment.

Rosie Cooper: Rising fuel costs, 20% VAT, high inflation and cuts to the winter fuel allowance and local government budgets will all hit vital front-line services used by pensioners. I should be grateful if the Minister would explain to the pensioners of West Lancashire why the Government need a new material deprivation indicator to tell them what they already know—that the policies of this Conservative-led Government are hitting them over and over again?

The Minister of State, Department for Work and Pensions (Steve Webb): The hon. Lady is right that we did not reverse Labour's planned cut in the winter fuel payment. What we did is reverse Labour's planned cut to the cold weather payment, which pays £25 a week every time the temperature falls below zero—and we ended up paying more than £400 million to cold, vulnerable pensioners, which is money that the Labour party would not have spent.

T3. [58809] **Neil Carmichael** (Stroud) (Con): In the context of the big society and mindful of the need for a variety of provision, what evidence is there that bidders for the Work programme have come from the voluntary sector and social enterprises?

Mr Duncan Smith: There is a huge amount of evidence. Two of the main providers are voluntary sector based, and getting on for half of all the subcontractors in the programme will be from the voluntary sector. This will be the biggest boost to the idea of the big society. Now that we hear Labour Members are rethinking on welfare, we hope that they will have some good things to say about it.

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): The cap on overall benefits in the Welfare Reform Bill is an important part of the legislation, but yesterday the noble Lord Freud said on television that there was going to be a significant U-turn, as there were going to be exemptions. Pressed on the detail, he said:

"Well, it's where we think that, you know, there's something happening that is undesirable."

I do not wish to be pedantic, but that is not a clear plan for reform. The Third Reading of the Welfare Reform Bill is on Wednesday. Will the amendments for this new proposal be on the table by then?

Mr Duncan Smith: It is good to see the right hon. Gentleman again—long time, no see. I am glad that he has finally made it to the Dispatch Box. He should not believe everything he reads in the media. The reality is that this policy is not changing because it is a good policy. The reality is that nearly half of those of working age who are working earn less than £26,000 a year, and they pay taxes to see some people on benefits earning much more than that amount. As we proceed through Report and Third Reading, I look forward to seeing the right hon. Gentleman support and vote for the Bill because he believes that those on benefits should not earn more than those who are living and working hard.

Mr Byrne: The Secretary of State's Welfare Reform Bill would be easier to support if we knew what difference it would make in the real world. We still do not know what it will mean for child care or for people with disabilities, and now we do not know what it will mean for the benefit cap either.

Since the Secretary of State took office, the Treasury has forecast that the housing benefit bill will rise by £1 billion. If he cannot tell us what his policy on exemptions is, will he tell us what Lord Freud's current policy will cost taxpayers?

Mr Duncan Smith: As I have said, we are not changing the policy. What my noble Friend Lord Freud was referring to was what we are already doing: making discretionary payments to ensure that the policy is eased in properly. *[Interruption.]* Hang on a second. The right hon. Gentleman cannot have it both ways. He has just said that we are not cutting housing benefit enough. He ought to talk to those on his Front Bench who think that we are cutting it too much. That is the problem with the Opposition at the moment: they want to have it all ways. Today the Leader of the Opposition made a speech in which he said that Labour would be tough on benefit claimants and that those who were not in work would not receive social housing. I simply say to Labour Members that this whole idea of welfare and change is a lot of wriggly-worm U-turns from the Opposition.

Several hon. Members *rose—*

Mr Speaker: Order. I remind the House that if we are to maximise progress, we need pithy questions and, from the Secretary of State and his colleagues, pithy answers.

T2. [58808] **Teresa Pearce** (Erith and Thamesmead) (Lab): Members have already raised the issue of women born in 1954 who must wait an extra two years to receive their pensions, but those who have small occupational pensions paid for and planned for on the basis of the earlier retirement date and who then find themselves out of work before the later date will be adversely affected in terms of jobseeker's allowance. Will the Minister review the rule and, specifically, the way in which it relates to those disadvantaged women?

Steve Webb: The hon. Lady is right: there is often an interaction between the rules governing benefits such as JSA, occupational pensions and state pension ages. However, in cases in which people's state pension age has risen, the rules governing working-age benefits are exactly as they have always been. Provision will be made, whether through employment support allowance, JSA or, in the example given by the hon. Lady, an occupational pension. We are not talking about leaving people with nothing to live on.

T4. [58810] **Alun Cairns** (Vale of Glamorgan) (Con): The mental health charity Mind has suggested changes in the work capability assessment to capture better the complexity of the conditions of those suffering from mental illness. What reassurance can the Minister give about how the process can be enhanced to reflect those needs better?

The Minister of State, Department for Work and Pensions (Chris Grayling): We have already introduced mental health champions to the network of health care professionals who carry out the assessments, and we

believe that the changes introduced at the beginning of April will bring more people with mental health conditions into the support group. However, we now have on our desks a new set of proposals from the charities which we asked them to supply to us. We are considering them carefully, and hope to respond in the very near future.

Paul Goggins (Wythenshawe and Sale East) (Lab): One important purpose of crisis loans is to cover emergencies when claimants have no money and payment of their benefits or tax credits is delayed. Because applications are now limited to three per year, families in my constituency already face the blocking of that route to help, not because they have failed but because of failings in the system. Will Ministers look at the system again and establish whether a more flexible approach could be adopted?

Steve Webb: We recognise that it is nonsense for one part of the benefits system to lend people money to deal with the fact that they have not received benefits from another part of it on time. The whole business of alignment payments has become completely out of control. Under my right hon. Friend the Secretary of State's universal credit scheme, the matter will be dealt with through advance payments of the credit. Clearly the idea that people can have multiple crises—up to 10 a year—does not produce a rational system, which is the reason for our reform.

T5. [58811] **Tony Baldry** (Banbury) (Con): Will my right hon. Friend please update the House on the progress of the work clubs initiative?

Chris Grayling: Let me start by paying tribute to my hon. Friend for his work in establishing a national network of work clubs. Several hundred are now up and running around the country, some with a degree of help from Jobcentre Plus and others with none at all. I hope that this strong network of organisations will make a real difference to people looking for jobs, and that their number will continue to grow.

Clive Efford (Eltham) (Lab): I opposed changes to Remploy made by my own party in government which resulted in the closure of my local factory in Woolwich. Before the Government implement any further changes under the Sayce report that may result in more closures of Remploy factories, will the Secretary of State contact the former employees of that Woolwich factory, and write to me telling me how many found jobs and are currently employed?

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I should like to reassure the hon. Gentleman that this Government's policy is to continue with the modernisation plan, and there have not been further closures of Remploy factories. We will, however, look carefully at the recommendations of the report issued last week, which included recommendations on the future of Remploy. We will fully consult on that before going forward, and I am sure that that could well include what the hon. Gentleman suggested.

T6. [58812] **Steve Baker** (Wycombe) (Con): On behalf of Micklefield job club in my constituency, a strictly voluntary effort to help people back into work, and on behalf of GB Job Clubs, a charity that supports a national network of like clubs, may I ask what the Government will do to ensure that the state does not crush such voluntary provision?

Chris Grayling: I should like to reassure my hon. Friend that I have made sure that there are no attempts within Jobcentre Plus and the Department for Work and Pensions to track and monitor and data-manage and performance-manage. This is a grass-roots movement. Our role is to provide a degree of local encouragement, and sometimes some initial funding to clubs to get up and running, but after that it is very much up to them to shape their destiny, and up to us to champion their success, but not to interfere.

Alison McGovern (Wirral South) (Lab): The DWP's own research on the future jobs fund published last month demonstrated the value of Government subsidy for the employment of young people during an economic crash. Does the Minister agree with his own Department's research, and will he therefore reconsider the possibility of a work subsidy for young people if their employment levels do not improve in the coming year?

Mr Duncan Smith: The whole point of that research was to look at how we can get value for money—how many people we can get back to work, and what we can best do to support them. We inherited a terrible situation from the last Government, with youth unemployment having been rising for a number of years. The programmes we are introducing—such as the Work programme and special provision within that, and the innovation fund—will help them much more than lavishing huge amounts of money for very little return, such as through the future jobs fund.

T7. [58813] **Mark Menzies** (Fylde) (Con): What are the Government doing to reduce conflict between parents in their dealings with the Child Support Agency?

Maria Miller: Reducing such conflict by putting in place support for parents to work collaboratively at the time of family breakdown lies at the heart of the reforms that we are looking at. I think Members of all parties can welcome that, and it has certainly been welcomed by organisations in the charitable sector who work with families.

Mrs Linda Riordan (Halifax) (Lab/Co-op): What were the terms of reference that the DWP gave to the Sayce team, what was cost of the report, and was the main beneficiary Radar?

Maria Miller: I thank the hon. Lady for her question. I apologise for not quite hearing the end of it, but let me say that we commissioned the report to look generally at how employment programmes were supporting severely disabled people, including all the programmes currently run by the Department. It is a very fragmented bunch of programmes, and Liz Sayce has done an excellent job in pulling that together and recommending a strategy and the way forward. Yes, we did remunerate Radar, because it was required to have additional help to support it in the running of its business while Liz Sayce was helping us.

T8. [58814] **Mr David Evennett** (Bexleyheath and Crayford) (Con): I welcome my right hon. Friend the Secretary of State's proposed reform of the benefit system, but how will universal credit help people who have been out of work take up part-time or flexible work if they are unable to take on a full-time job for any reason?

Mr Duncan Smith: I am glad that my hon. Friend has raised this matter. The reality about universal credit is that it is aimed at those who cannot take on full-time work, or those who are transiting back to full-time work having been out of work for a little while. It will help everybody take up work for a number of different hours that suit their own particular conditions. It is particularly good for lone parents, and they will benefit for each hour they take better than they do at present.

Mr Andy Slaughter (Hammersmith) (Lab): The Government's benefit cap will force many of my constituents to leave their home of many years, uprooting families, jobs, schools and communities. According to the right hon. Gentleman's colleague, the hon. Member for Chelsea and Fulham (Greg Hands), on LBC just now, such people are making lifestyle choices. Is that the Government's view?

Mr Duncan Smith: The position on the benefit cap is very straightforward and simple; those who are on benefit should not receive more money than those who are working and paying their taxes. There are exemptions, of course, such as for those who are making the right efforts to get back to work—those on working tax credit, for instance—and those who are disabled, as well as for widows and war widows. They are exempted from this, but for the rest of them the following simple principle holds: "If you can, you should be helped into trying to work", and £26,000 a year seems a reasonable sum of money to me.

T9. [58815] **Graham Evans** (Weaver Vale) (Con): Many people are being tricked out of money by being offered lump sums, which turn out to be woefully inadequate, instead of their pension scheme. What steps are the Government taking on these incentivised transfers out of defined benefit pension schemes?

Steve Webb: I am grateful to my hon. Friend for raising that important issue. We are determined to drive out the bad practice whereby, as he says, people are given a bung of cash, sometimes a few weeks before Christmas, and are then given a value for their pension rights which is well below what they are actually worth to them. I met the pensions regulator and other interested groups a few weeks ago, and we are looking very hard at whether regulatory change is needed.

John Cryer (Leyton and Wanstead) (Lab): In the light of earlier questions on the Health and Safety Executive, will there be more workplace inspections next year or fewer?

Chris Grayling: We have made it clear that we are seeking to reduce the number of proactive workplace inspections by about a third by removing from proactive inspection low-risk premises that have no record of problems. In that way, the HSE can concentrate its resource on dealing with those employers where there is a problem and fault has been found. Indeed, we are introducing a system of fee for fault to ensure that we recover money from those employers who are breaking the rules.

Jenny Willott (Cardiff Central) (LD): Changing from three to six months the period before which a claimant becomes eligible for the new personal independence payment not only means that people with sudden onset conditions, such as cancer or a stroke, have to wait longer for support, but it may affect their family's access to carer's allowance. Will the Minister investigate ways to enable those looking after loved ones who suffer sudden onset conditions early access to carer's allowance?

Maria Miller: It is important that we continue to view the personal independence payment very much as something that relates to an individual and the way in which their condition affects them on an individual basis. We are not intending to look at particular conditions, but we will be carefully examining the way in which the introduction of the personal independence payment affects benefits that are passported, such as carer's allowance, and we will bear my hon. Friend's comments in mind.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): The Pensions Minister may recall that he kindly met me, the hon. Member for Chippenham (Duncan Hames) and a representative of the Twins and Multiple Births Association to discuss a modest proposal to amend the Sure Start maternity grant for parents of multiples. He undertook to come back to us on that, so I wonder whether he could update us on when he will be able to do so.

Steve Webb: The hon. Gentleman and my hon. Friend the Member for Chippenham rightly raised some specific issues relating to people who have had twins or other multiple births and the interaction between that situation and our changes to maternity grants, and I hope to be in a position to respond shortly.

Points of Order

3.32 pm

Huw Irranca-Davies (Ogmore) (Lab): On a point of order, Mr Speaker. Last Thursday, a written statement on the fast-track solar photovoltaic review was quietly laid before the House. By Thursday evening we had been given the response. Gaynor Hartnell of the Renewable Energy Association said:

"The handling of this whole affair has been poor".

Dave Sowden said:

"This is bad news for...worthwhile projects—schools, communities, public buildings."

Friends of the Earth said:

"This consultation—

after which nothing changed—

"has been an utter farce—Ministers have completely ignored warnings from community groups".

To make things worse, by Saturday there was an announcement in the *Daily Mail* that "Ministers plan an abrupt change of policy to rescue solar power jobs." It was reported that the Minister of State, Department of Energy and Climate Change, the hon. Member for Bexhill and Battle (Gregory Barker) had said:

"I am a big fan of solar energy. I believe it can have an important role in breaking the stranglehold of the Big Six energy companies."

Out of respect to this House, which I know you hold most dear, Mr Speaker, and the necessity for policy announcements to be made in this Chamber, have you had a request for the Minister responsible for solar energy to appear before this House to explain, first, the review that never was, and secondly, the policy review change mooted over the weekend?

Mr Speaker: I have not.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): On a point of order, Mr Speaker. You are, of course, aware that there is a major Bill before Parliament proposing huge changes in the national health service. It has been announced in the press today that the Prime Minister and the Deputy Prime Minister are to hold a staged event at 12 noon tomorrow to announce the changes that they intend to make to that Bill. Is it not utterly unacceptable, particularly when a Bill is before the House of Commons, for announcements about what is to be done to that Bill to be made two and a half hours before the House sits? Do you not agree that that statement should be made first to the House of Commons, and that this stunt should be called off?

Mr Speaker: I reiterate to the right hon. Gentleman, and to the House, my usual point from the Chair, which is that if Ministers, be they ever so high, have important policy announcements to make, including about any changes in policy, those announcements should be made first to the House of Commons.

Grahame M. Morris (Easington) (Lab): Further to that point of order, Mr Speaker. In the light of the NHS Future Forum report on the listening exercise for the Health and Social Care Bill, have you had any indication from the Secretary of State or the Government business managers when they intend to end the pause in the Bill's progress, and whether it will be recommitted to a Public Bill Committee of MPs to allow proper scrutiny of the proposed changes and to allow the Labour party, which formed the NHS, to have a say on those important matters?

Mr Speaker: Those are important matters, but they are matters for the Government. The point of order raised by the hon. Gentleman, although a matter of great concern to him and to many others, is essentially a business question, and therefore is not a matter for the Chair. Those who are responsible for such matters will have noted, and doubtless taken heed of, the hon. Gentleman's observations.

Chris Bryant (Rhondda) (Lab): Further to that point of order, Mr Speaker. I am letting your original pronouncement in answer to my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) sink in, and I would not want to put any words in your mouth, obviously, but it seemed to me that you might have been suggesting that the Prime Minister and the Deputy Prime Minister would not be right to go ahead with an announcement in another venue before coming to this House.

Mr Speaker: If the hon. Gentleman had not made his name as a Member of Parliament, I feel sure that he would have had a very fruitful career at the Bar—

Chris Bryant: Downstairs? Behind the bar?

Mr Speaker: Not downstairs, but in the law courts.

I simply say to the hon. Gentleman that I am not suggesting anything, and I do not feel the need to add anything to what I have already said in response to the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman). First, I think that what I said was pretty clear, and secondly, the right hon. Gentleman is not in any way slow on the uptake. I hope that is clear.

ROYAL ASSENT

Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Act:

Postal Services Act 2011.

Welfare Reform Bill (Programme) (No. 2)

3.37 pm

The Minister of State, Department for Work and Pensions (Chris Grayling): I beg to move,

That the Order of 9 March 2011 (Welfare Reform Bill (Programme)) be varied as follows:

1. Paragraphs 4 and 5 of the Order shall be omitted.

2. Proceedings on Consideration and Third Reading shall be completed in two days.

3. Proceedings on Consideration shall be taken on the days shown in the first column of the following Table and in the order so shown.

4. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of Proceedings*
First day	
New Clauses and amendments relating to recovery by deduction from earnings; New Clauses relating to Part 1; new Schedules relating to Part 1; amendments to Clauses 1 to 31; amendments to Schedule 1; amendments to Clause 32; amendments to Schedule 2; amendments to Clauses 33 and 34; amendments to Schedule 3; amendments to Clause 35; amendments to Schedule 4; amendments to Clause 36; amendments to Schedule 5; amendments to Clause 37; amendments to Schedule 6; amendments to Clauses 38 to 43; new Clauses relating to Part 2; new Schedules relating to Part 2; amendments to Clauses 44 to 48; amendments to Schedule 7; amendments to Clauses 49 to 62; new Clauses relating to industrial injuries benefit or housing benefit; new Schedules relating to industrial injuries benefit or housing benefit; amendments to Clauses 63 to 68.	10.00 pm
Second day	
New Clauses relating to the social fund or state pension credit; New Schedules relating to the social fund or state pension credit; amendments to Clause 69; amendments to Schedule 8; amendments to Clauses 70 to 74; new Clauses relating to Part 4; new Schedules relating to Part 4; amendments to Clauses 75 to 88; amendments to Schedule 9; amendments to Clauses 89 and 90; amendments to Schedule 10; amendments to Clauses 91 and 92; remaining new Clauses relating to Part 5; new Schedules relating to Part 5; amendments to Clauses 93 to 99; amendments to Schedule 11; amendments to Clause 100; amendments to Schedule 12; amendments to Clauses 101 to 128 (other than those relating to recovery by deduction from earnings); new Clauses relating to Part 6; new Schedules relating to Part 6; amendments to Clauses 129 to 135; amendments to Schedule 13; new Clauses relating to Part 7; new Schedules relating to Part 7; amendments to Clause 136; amendments to Schedule 14 (other than those relating to recovery by deduction from earnings); amendments to Clauses 137 to 140; remaining proceedings on Consideration.	6.00 pm

5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 7.00 pm on the second day.

Let me speak briefly on the programme motion. As Members will see, we have set out a plan to carry out Report and Third Reading over two days, commencing now until 10 pm tonight and resuming after Prime Minister's questions and any other business that takes place during the day on Wednesday, with Third Reading, as is normal, taking place an hour before the end of the day.

These two days follow a lengthy and constructive debate in Committee during which, unusually, we managed to cover every clause in the Bill. I fear I cannot offer the Opposition quite the same latitude on Report, although I know they will want to raise a number of issues on this crucial matter. It is welcome to note the intervention about the Government's position made today—albeit that it was rather confusing—by the shadow Secretary of State, who is no longer in his place, and indeed the intervention made today by the Leader of the Opposition on the Opposition's position on welfare reform.

I hope that over the next two days we will see some evidence emerge on what line the Opposition will take, whether they will be for us or against us on the benefit cap, and whether they have decided to back us on a number of the other reforms we have proposed. They have been somewhat ambiguous in parts of the debate in Committee about whether they support us, and I hope we will reach the end of the programmed debate on Wednesday and find that they support the Bill on Third Reading. I hope that the two days we have set aside will allow us to debate all the key areas for discussion in the Bill and that it will become a little clearer whether, when it comes down to the final decisions, the Opposition are with us or against us on those key matters. I look forward to two days of lengthy, interesting and perhaps enlightening—in respect of the Opposition's policies—debate on these matters.

3.40 pm

Stephen Timms (East Ham) (Lab): I take issue somewhat with the Minister. I do not agree that there has been adequate time in Committee to consider the Bill, not least because on more than one occasion Ministers left early, before we had completed our first afternoon discussion. Consequently, a number of key issues, particularly new clauses, were left undebated when the Committee ended, and as a result, some of those are on the Order Paper today.

With that backlog, as well as other key points in the Bill, I am very concerned that the two days now available are likely to be insufficient for the debate that is needed. Given that inadequate time, however, the knife proposed in the Government's programme motion is in a perfectly sensible place. Because we need to get on with the debate I shall not seek to divide the House on the motion, but I am concerned that, as will become clear during the debate, the House will not have had sufficient time to consider properly the full consequences of the Bill.

Question put and agreed to.

Mr Speaker: The Orders of the Day will now be read by the Clerk, Dr Sir Malcolm Jack.

Welfare Reform Bill

[1ST ALLOCATED DAY]

Consideration of Bill, as amended in the Public Bill Committee

New Clause 1

DEDUCTIONS FROM EARNINGS: OTHER CASES

'(1) In section 71 of the Social Security Administration Act 1992 (overpayments - general), after subsection (9) there is inserted—

"(9A) Regulations may provide for amounts recoverable under the provisions mentioned in subsection (8) above to be recovered by deductions from earnings.

(9B) In subsection (9A) above "earnings" has such meaning as may be prescribed.

(9C) Regulations under subsection (9A) above may include provision—

(a) requiring the person from whom an amount is recoverable ("the beneficiary") to disclose details of their employer, and any change of employer, to the Secretary of State;

(b) requiring the employer, on being served with a notice by the Secretary of State, to make deductions from the earnings of the beneficiary and to pay corresponding amounts to the Secretary of State;

(c) as to the matters to be contained in such a notice and the period for which a notice is to have effect;

(d) as to how payment is to be made to the Secretary of State;

(e) as to a level of earnings below which earnings must not be reduced;

(f) allowing the employer, where the employer makes deductions, to deduct a prescribed sum from the beneficiary's earnings in respect of the employer's administrative costs;

(g) requiring the employer to keep records of deductions;

(h) requiring the employer to notify the Secretary of State if the beneficiary is not, or ceases to be, employed by the employer;

(i) creating a criminal offence for non-compliance with the regulations, punishable on summary conviction by a fine not exceeding level 3 on the standard scale;

(j) with respect to the priority as between a requirement to deduct from earnings under this section and—

(i) any other such requirement;

(ii) an order under any other enactment relating to England and Wales which requires deduction from the beneficiary's earnings;

(iii) any diligence against earnings."

(2) In section 71ZA of that Act (overpayments out of social fund), before subsection (3) there is inserted—

"(2A) Subsection (9A) of section 71 above as it so applies shall have effect as if the reference to amounts recoverable under the provisions mentioned in subsection (8) of that section were to amounts recoverable under subsections (1) and (4) of that section by virtue of subsection (1) above."

(3) In section 75 of that Act (overpayments of housing benefit), at the end there is inserted—

"(8) Regulations may provide for amounts recoverable under this section to be recovered by deductions from earnings.

(9) In subsection (8) above "earnings" has such meaning as may be prescribed.

(10) Regulations under subsection (8) above may include provision—

(a) requiring the person from whom an amount is recoverable ("the beneficiary") to disclose details of their employer, and any change of employer, to the Secretary of State or the authority which paid the benefit;

(b) requiring the employer, on being served with a notice by the Secretary of State or the authority which paid the benefit, to make deductions from the earnings of the beneficiary and to pay corresponding amounts to the Secretary of State or that authority;

(c) as to the matters to be contained in such a notice and the period for which a notice is to have effect;

(d) as to how payment is to be made to the Secretary of State or the authority which paid the benefit;

(e) as to a level of earnings below which earnings must not be reduced;

(f) allowing the employer, where the employer makes deductions, to deduct a prescribed sum from the beneficiary's earnings in respect of the employer's administrative costs;

(g) requiring the employer to keep records of deductions;

(h) requiring the employer to notify the Secretary of State or the authority which paid the benefit if the beneficiary is not, or ceases to be, employed by the employer;

(i) creating a criminal offence for non-compliance with the regulations, punishable on summary conviction by a fine not exceeding level 3 on the standard scale;

(j) with respect to the priority as between a requirement to deduct from earnings under this section and—

(i) any other such requirement;

(ii) an order under any other enactment relating to England and Wales which requires deduction from the beneficiary's earnings;

(iii) any diligence against earnings."

(4) In section 78 of that Act (recovery of social fund awards), after subsection (3B) there is inserted—

"(3C) Regulations may provide for amounts recoverable under subsection (1) above from a person specified in subsection (3) above to be recovered by deductions from earnings.

(3D) In subsection (3C) above "earnings" has such meaning as may be prescribed.

(3E) Regulations under subsection (3C) above may include provision referred to in section 71(9C) above."'—*(Chris Grayling.)*

Brought up, and read the First time.

3.42 pm

The Minister of State, Department for Work and Pensions (Chris Grayling): I beg to move, That the clause be read a Second time.

Mr Speaker: With this it will be convenient to discuss Government amendments 1 to 13.

Chris Grayling: Mr Speaker, if you would permit me to go off the subject for a moment, I think it would be appropriate to mark, as you did just now, the recent honour received by the Clerk. I am sure that Members in all parts of the House send him our congratulations and best wishes. [HON. MEMBERS: "Hear, hear."]

Amendments 1 to 13 and new clause 1 introduce the direct earnings attachment, or DEA, as a method of social security debt recovery. An attachment of earnings is a method by which money will be stopped from a customer's wages to pay a debt. The debt in question could be an overpayment of benefit, any associated penalty, a recovery of hardship payments or a payment on account. The measure will also be available for use by local authorities for the recovery of housing benefit overpayments. In due course it could also be used for the recovery of council tax benefit overpayment, once the localisation of council tax benefit takes place. A DEA would also be available to recover an administrative penalty for a benefit fraud offence or a civil penalty for failing to take proper care of a benefit award.

Mrs Anne Main (St Albans) (Con): Is there some sort of structure in process so that if EU migrants who work in the country and are eligible for benefits move out of country when they no longer wish to work here, any overpayment of benefits could be clawed back, should those migrants move through other EU countries?

Chris Grayling: My hon. Friend makes an important point. Although in theory mechanisms do exist to recover payments, the process is much more difficult than one would wish. I take her point, and my ministerial colleagues and I will continue to seek ways of ensuring that in such an eventuality, we can make recoveries.

Chris Bryant (Rhondda) (Lab): While the Minister considers that issue, will he also consider the case of the many hundreds of thousands of British people who live in Spain, who often rely on support, especially from the national health service and many other services that they receive, from the Spanish Government? The same applies elsewhere in Europe.

Chris Grayling: The hon. Gentleman is of course correct, but I am sure that he would also agree that if someone comes to live and work in this country, receives benefit payments and then returns overseas, they carry with them an obligation that they should fulfil. That is the sole point that my hon. Friend the Member for St Albans (Mrs Main) was making, and it is one that I think Members on both sides of the House would see as common sense. There is freedom of movement across Europe, but we must make sure that the mechanisms are in place to ensure that our systems are not abused. The primary purpose of DEA is to enforce recovery where the debtor is in pay-as-you-earn employment and will not make other arrangements for debt repayment. I think that that is a sensible approach to take.

I apologise to the Opposition for the fact that we were unable to bring the new clause forward in Committee. It has been very carefully considered and discussed in our regulatory processes. We have brought it forward at this time and hope that they will not find it controversial. One of the reasons why I hope that they will not find it controversial is that there is currently something of an anomaly in the system. If someone incurs a penalty, for whatever reason, and remains in the benefit system, we can recover that money through a deduction from the benefit payments they receive. However, if they move into PAYE employment and basically say, "No way. Go away," we currently have no mechanism for recovering the debt that is owed. That is the purpose of the measures that we are considering.

The rates of deduction will be determined in the regulations, which will include a safeguard to ensure that deductions do not take the debtor beneath a given level of earnings. That is necessary and common practice in the operation of similar arrangements in other parts of society where deductions are made—for example, with court-related penalties and deductions for child maintenance. It is essential that we do not deduct money at a rate that will tip the person concerned below a given level of earnings. It is, and will be, a basic principle that recovery of overpaid benefits should not cause undue hardship.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Will the Minister clarify whether any judicial process will be applied to attachments in relation to someone's earnings? The reason I ask is because, as I am sure all hon. Members know, mistakes happen, sometimes because of errors on a claimant's part but sometimes because of errors by the bureaucracy, and I am concerned that there may not be enough safeguards to ensure that attachments will not be made erroneously.

Chris Grayling: The hon. Lady makes an important point, and I will explain in a moment what rights individuals will have. It would of course be inappropriate to have a system in which a DEA could be applied and there was no comeback at all for the individual. A system that allowed no right of challenge or appeal would be wholly inappropriate, and I will explain in a moment why that will not be the case.

Andrew Percy (Brigg and Goole) (Con): On that point, would a debt order have any bearing on the assessable income available for child maintenance payments?

Chris Grayling: That would depend on the circumstances. It is obviously important that a deduction of earnings takes into account the potential impact on the individual, so we would need to take into account other payments. Ultimately, it is a basic principle that recovery of overpaid benefits should not cause undue hardship, so all circumstances would need to be taken into account. I should clarify that council tax benefit will be deducted from council tax liability, so it will not be administered in quite the same way.

Imposing a DEA is intended to be an administratively simple process that replaces the current practice of obtaining an attachment of earnings order by application to the court. The ability of the Department for Work and Pensions to make DEAs on its own authority sends out a strong signal to potential fraudsters and will prove a useful tool in the fraud and error strategy. I hope, particularly given the comments made today by the Leader of the Opposition, that the Opposition will welcome this as a sensible measure to take against people who defraud the system.

We think that the measures will also encourage claimants in debt to be more aware of the possibility of deduction at source, reducing any expectation that they will avoid repaying debt. There is always a concern that they will think that they can just pile money up and up, and that there will be no day of reckoning. The proposals make it much simpler for us to ensure that there is indeed a day of reckoning.

The measure will make use of an existing process used by the Child Maintenance and Enforcement Commission, with which businesses are already familiar. It is a matter of routine for an employer to make a child maintenance-related deduction from a person's salary cheque each month, and this measure will use the same process. The provision also allows for the levy of an administration charge against the debtor by the employer administering the deduction, offsetting any increased administrative costs resulting from the increased use of earnings attachment as a recovery method.

Using a DEA to recover debt does not remove a debtor's rights to challenge any decision relating to the recovery of benefits or the imposition of a civil penalty. This relates to the point just raised by the hon. Member for Banff and Buchan (Dr Whiteford). For example, when an overpayment occurs in relation to an award, an

[Chris Grayling]

independent decision maker decides whether a recoverable overpayment exists. As I set out in Committee, there are circumstances in which overpayments will be recovered, and circumstances in which they will not. We will focus on offering discretion to our front-line staff in judging what is right and what is wrong. We accept that there will be times when an overpayment results from an administrative error within the Department, and that we should accept the blame for that and not seek recovery of the overpayment. The general position, however, is that if someone receives money that they should not have received, we will expect them to pay it back. If they refuse and have already started work, this mechanism will enable us to recover the money.

In addition, there will be a right of appeal to an independent appeal tribunal, should the person be unhappy with the original decision. So there is still a full judicial process available, similar to the one available when a sanction is imposed that could lead to the withdrawal of benefits. The claimant has the right first to go to the decision maker and then to a tribunal, and those rights will remain in this situation. However, we will not have to go to court to secure the original order to make a deduction of earnings.

Before taking action to impose a DEA, we will ensure that the debtor is aware that we are taking such action. We are also keen to remain mindful of our welfare obligations. We do not, for instance, want to push the debtor into leaving work in order to avoid a repayment under a DEA. This measure must be applied with common sense and care. In certain instances, it might be determined that another method of recovery should be employed, or that arrangements should be made so that the DEA commences only after other commitments have been cleared. This relates to the point that my hon. Friend the Member for Brigg and Goole (Andrew Percy) raised a moment ago: we will take into account other commitments.

The DEA is designed to recover debt from those who currently seek to avoid repayment—those who hope that they can avoid paying the money back. Those who comply with requests for repayment and who either come to a reasonable arrangement to repay or can show that they are currently unable to repay will not have a DEA imposed. I am sure that hon. Members will agree that when someone refuses to meet their obligations to repay benefit debt, such powers should be available to the relevant authorities to make recovery.

That is all that the new clause and the other amendments are designed to do. They are designed to ensure that we treat people fairly and appropriately within the system. When necessary we can recover benefits directly from people who are still on benefits, but we cannot currently do that easily, without going to court, from people who have moved into PAYE employment. These provisions will allow us to change that. I believe that this is a prudent and sensible step. It is very much in keeping with our anti-fraud strategy, and I hope that it will be in keeping with that of the Opposition as well. I hope that the new clause will command support on both sides of the House.

Stephen Timms (East Ham) (Lab): I welcome this opportunity to respond to this first group of amendments. It is certainly one of the less contentious groups that we shall consider, and the Minister should not imagine that we will be equally amenable throughout the debate today. The new clause aims to amend the Social Security Administration Act 1992 to allow the Government to recover overpayments resulting from mistakes or fraud in out-of-work benefits and housing benefit, as well as in universal credit and the other contributory benefits.

I can well see why the Minister wants to make these changes. In particular, because universal credit will encompass people who are in work as well as those who are out of work, it makes sense for the recovery of overpayments to be extended into earnings received in work, as he has outlined.

However, a number of questions need to be asked about these plans. The Minister has already been pressed about the mechanism for appeals. The changes will certainly require a good deal of co-operation from employers, as those are the organisations on which the Government will be serving notices to deduct from earnings. Employers will bear the burden of the administration of these deductions through having to pay in amounts, keep records of those amounts, and keep the Secretary of State informed if the person concerned leaves their employment.

The Minister has made the perfectly reasonable point that a system already exists for child support payments, but in order to take into account the additional burden that he is imposing, the Government are allowing for the employer to deduct an amount in respect of their administration costs. We need to have some idea of the amount that employers will be permitted to deduct, which should be seen to be fair by the person whose pay is being deducted, while adequately compensating employers. Will the Minister tell us a little more about how that amount will be calculated, and how it relates to the existing arrangements for child support that he touched on?

The amendments allow for a level of earnings below which earnings must not be reduced by the deductions. Again, that seems appropriate, but we need to know how that level of earnings will be prescribed. There could be a significant impact on work incentives, particularly for people who have received overpayments and who may well have been acting entirely innocently, having been confused or having made a mistake—or perhaps the job centre has made a mistake. If the amount is too low, claimants who are out of work could see little gain from moving into work. Additionally, if the deductions are at a flat rate or not a percentage of hourly pay, the work incentives that the universal credit taper mechanism is designed to provide will be compromised. Will the Minister tell us how the minimum level of earnings will be calculated? Will he ensure that people who are repaying overpayments will still be better off if they increase their income through working additional hours?

Subsection (3)(i) of new section 71ZCA of the Social Security Administration Act 1992 creates a criminal offence for non-compliance with the regulations, with a fine of £1,000, which would be a hefty sum for a small business. Small businesses have less time and energy to spend on administration or human resources, so the additional burdens being placed on them could prove a significant disincentive to their recruiting new employees who have overpayments hanging over them. That would result in those people finding it more difficult to get into work. Will the Minister tell us a little more about how

he thinks that the new provisions will affect people who are paying back overpayments while trying to find a job? How he will ensure that the provisions do not create a new barrier to those people getting back into work?

The move towards allowing deductions from earnings to repay benefits lost due to error or fraud is sensible, particularly because universal credit will be paid to people in work as well as out of work. The Government are already introducing several penalties for those whom they feel have negligently made incorrect statements. It is important that we do not penalise people who have made mistakes but have done so honestly, by placing new and unnecessary barriers to employment in their way. The minimum level of earnings and the red tape that this will mean for small businesses could have that result if the Government get the judgments wrong. I hope that the Minister will be able to give us some reassurances about how the measures will work in practice.

4 pm

Kate Green (Stretford and Urmston) (Lab): It is a pleasure to make my first contribution to this stage of proceedings on the Bill by welcoming an aspect of Government amendment 2. Specifically, it is enormously welcome that the short paragraph (e) will enable regulations to include

"a level of earnings below which earnings must not be reduced"

when overpayments are being recovered. That echoes the practice in Sweden, Germany, the Netherlands, Norway and other nations, which have legally enforceable, attachment-free limits when debts are being enforced, below which claimants must be protected. The limits relate to a national minimum income standard, which is set by a variety of methods. I am grateful to Professor John Veit-Wilson, Professor Elaine Kempson, Damon Gibbons of Debt on our Doorstep and Rev. Paul Nicolson of the Zacchaeus 2000 Trust, who have helped me to prepare for this debate.

I would be pleased to see the principle of irreducible attachment-free minimums extended to all debts and to the unemployed, in particular to safeguard children's, disability and housing benefits. That would prevent the damage that is done to physical and mental health by the enforcement of debt against poverty incomes, and the damage that that does to the capacity of the poorest adults to find and keep work.

In Sweden, the standards for a reasonable standard of living are uprated for price index changes every year and reset every five years by the National Board for Consumer Affairs. The standards are based on survey data on national household consumption patterns and current prices; statisticians and NBCA policy officials decide what is reasonable in terms of deviations from the averages. For example, for the past four years in the UK, the prices of food and domestic fuel have increased faster than the retail prices index and the consumer prices index. The standards are used by the social service board for setting benefits and by the tax authority for setting the tax threshold. The tax threshold is also used by the court enforcement authority to set its attachment-free sum for debt enforcement. That sum consists of two parts: variable housing costs and a fixed standard normal sum for all other living expenses.

There are clearly other methodologies for setting the minimum acceptable income standard below which incomes should be protected and attachment-free. In Committee, we explored work that is under way in this country at the universities of York and Loughborough, among others, to develop a minimum income standard that can command and be informed by the perceptions of the public. There is a range of options for assessing and setting the minimum standard below which there will not be deductions. There are examples from other nations where such a minimum is enforceable by the courts and related to national minimum income standards. In countries that have legally enforceable limits, the courts, in setting payment plans, can ensure that the debtor is left with a minimum level of income, taking account of family size.

I hope that the small but vital paragraph (e) in Government amendment 2 will begin an era of cross-party support for legally enforceable irreducible and attachment-free minimums when people are repaying debts, which are based on minimum income standards. That would contribute to a reduction in the huge cost of mental illness to the health service and the wider economy, and make a significant contribution to the reduction of poverty in the UK. I hope that we have an ambitious approach to setting that minimum.

Chris Grayling: I start by saying that I very much appreciate the comments of the hon. Member for Stretford and Urmston (Kate Green). I listened carefully to her points, a number of which she made in Committee. She has given a great deal of thought to these matters, and although I cannot offer her a guarantee that we will do all the things she wishes, I can say to her that we will take great care, in the regulations attached to the Bill, to ensure that we get the right balance. It has been clear for a long time in this country, and remains absolutely clear under the current Government, that in setting the levels of any deduction we have to be extremely careful not to tip people into hardship. In particular, we must not encourage them to leave work and end up moving them and their families down the poverty scale.

The hon. Lady and the right hon. Member for East Ham (Stephen Timms) asked how we would determine the level of earnings below which deductions for overpayments cannot be made. Of course, there is no one-size-fits-all approach, and the circumstances of different families are very different. There may be a case in which, as my hon. Friend the Member for Brigg and Goole (Andrew Percy) suggested, there is a deduction for child support, or the number of children in a family or a disability may be factors. Great care therefore has to be exercised.

The minimum level that we will pursue will be determined to ensure that the debtor is left with sufficient income to maintain themselves and their family, in line with similar provisions in the Attachment of Earnings Act 1971. We therefore plan to use the same basis that the previous Government used—for example, to determine deductions from benefit payments.

In many cases, however, a direct earnings attachment will be implemented with little negotiation with the debtor. There will be a prescribed minimum level that will not take account of individual circumstances. We will try to create a system whereby we are mindful of the need to reflect the circumstances of the individual, but we cannot go the whole way, and we certainly cannot go quite as far as the hon. Member for Stretford and Urmston would wish.

[Chris Grayling]

If a debtor finds that they are unable to cope with the deductions being made from their earnings, they should contact us to discuss an alternative payment rate. Of course, they can avoid being placed in that situation, bearing in mind that we are discussing not people who are struggling to deal with something that they have already agreed but those who have wilfully refused to enter an agreement with us and are basically saying, "I'm not paying the money back", or who have not even got to the point of saying anything to us at all.

Debtors who are repaying their overpayment by means of a direct earnings attachment will, in line with those repaying by other methods, be able to claim that the repayment rate causes them hardship and ask for it to be reduced. Although we of course have a responsibility to recover overpayments in order to protect public funds, we also take into account an individual's financial and personal circumstances. The hon. Lady articulated a strong case for her points, but I cannot offer her quite as much as she would wish. However, I can offer her an assurance that we will always take an individual's circumstances into account, particular where poverty, deprivation and hardship could arise.

The right hon. Member for East Ham made a point about employers. We will, of course, use the same mechanism for the attachment orders in the Bill as is used for child maintenance deductions. That process is well established through the Child Maintenance and Enforcement Commission system, and prior to that through the Child Support Agency, so it should not cause employers to recast their processes and do things very differently. On that basis, I am confident that it should not represent a significant additional burden on employers.

The right hon. Gentleman mentioned the provision for a £1,000 fine. In truth, there is no excuse for a refusal to engage in any part of the process. The orders will arise only because an individual claimant has refused to engage, and there is no real excuse for an employer to refuse to engage either. The matter should not be complicated, and it certainly should not be complex enough to cause an employer to decline an expansion in business or a recruitment to fill a vacancy. The process is established and many employers up and down the country are used to dealing with it, and I do not believe there will be significant extra burden on business.

The right hon. Gentleman asked how much employers could deduct for the administration charge, and the answer is an amount not in excess of £1 for each deduction. He asked for an assurance that the measure will not damage work incentives. The answer to that is that, as with all debt recovery, we must of course be mindful of the Department's welfare obligations. As I said, recovery of overpaid benefits should not cause undue hardship. In the calculation of a repayment, we certainly would not want to push someone into a position in which they have to leave work to avoid payment under a DEA.

The operation of the DEA does not mean that the debtor will commence the repayment of their debt earlier than they would under another repayment method. The debtor will have had ample opportunity to make other arrangements to pay, or indeed to show that suspension of recovery was applicable in their case. We are not talking about people who have had no chance to engage and discuss.

Stephen Timms: Will people who receive pay rises always receive some benefit from it, or could they lose all of that increase in additional repayments required by the Department?

Chris Grayling: It is very difficult to give an absolute answer to that question. It is unlikely that we would seek to withdraw an entire pay rise, but clearly, if we had given somebody a lot of slack in making their repayments, and their financial circumstances improved, we would not allow them simply to continue paying at the hardship rate that they had previously paid. We would expect an improvement in the terms based on their improved circumstances.

The right hon. Gentleman, as a former Minister, knows the reality. Well-established hardship considerations are in place. If the customer engages with the Department, their circumstances could suggest that another method of recovery should be employed. Arrangements are made so that the DEA begins only after a period time, but only in exceptional circumstances would we waiver repayment.

Common sense lies at the heart of this measure. It is our job to recover funds that have been overpaid to a claimant when there is not a good reason for waiving the repayment because of departmental error. At the same time, it is not in any of our interests for the system to force people into severe hardship and poverty—the system should reflect the reality of people's financial situations.

There is a clear obligation to repay. The Leader of the Opposition spoke this morning of responsibility, and he was right to do so. Those who we are talking about have a responsibility to repay the money that is due to us. However, the Department, and indeed the courts, must apply common sense to the process, achieve the right balance and ensure that we recover the money that is due to the taxpayer correctly and sensibly.

I welcome the Opposition spokesman's positive comments. We are likely to have livelier debates as the hours go by, although I hope, having heard the Leader of the Opposition's comments this morning, that such debate masks their willingness to support the Bill. It would be disappointing if the Opposition did not support the Bill. If they decline to support it, I will look forward to having a debate in public on who is right and who is wrong, but for now I am delighted that there is cross-party co-operation on this group of amendments and the new clause.

Question put and agreed to.

New clause 1 accordingly read a Second time, and added to the Bill.

Clause 102

RECOVERY OF BENEFIT PAYMENTS

Amendments made: 1, page 67, line 35, at end insert—

'() by deduction from earnings (section 71ZCA);'

Amendment 2, page 68, line 17, at end insert—

71ZCA Deduction from earnings

(1) Regulations may provide for amounts recoverable under section 71ZB to be recovered by deductions from earnings.

(2) In this section "earnings" has such meaning as may be prescribed.

(3) Regulations under subsection (1) may include provision—

(a) requiring the person from whom an amount is recoverable ("the beneficiary") to disclose details of their employer, and any change of employer, to the Secretary of State;

(b) requiring the employer, on being served with a notice by the Secretary of State, to make deductions from the earnings of the beneficiary and to pay corresponding amounts to the Secretary of State;

(c) as to the matters to be contained in such a notice and the period for which a notice is to have effect;

(d) as to how payment is to be made to the Secretary of State;

(e) as to a level of earnings below which earnings must not be reduced;

(f) allowing the employer, where the employer makes deductions, to deduct a prescribed sum from the beneficiary's earnings in respect of the employer's administrative costs;

(g) requiring the employer to keep records of deductions;

(h) requiring the employer to notify the Secretary of State if the beneficiary is not, or ceases to be, employed by the employer;

(i) creating a criminal offence for non-compliance with the regulations, punishable on summary conviction by a fine not exceeding level 3 on the standard scale;

(j) with respect to the priority as between a requirement to deduct from earnings under this section and—

(i) any other such requirement;

(ii) an order under any other enactment relating to England and Wales which requires deduction from the beneficiary's earnings;

(iii) any diligence against earnings.'

Amendment 3, page 69, line 22 , after '71ZC' insert ', 71ZCA'

Amendment 4, page 70, line 13 , leave out from 'etc)' to end of line 15 and insert—

'(a) for subsection (4) there is substituted—

(4) If the recipient of a notice under subsection (3) above agrees, in the specified manner, to pay the penalty—

(a) the amount of the penalty shall be recoverable from the recipient by the Secretary of State or authority; and

(b) no criminal proceedings shall be instituted against the recipient in respect of the conduct to which the notice relates.

(4A) Sections 71ZC, 71ZCA and 71ZD above apply in relation to amounts recoverable under subsection (4)(a) above as to amounts recoverable by the Secretary of State under section 71ZB above (and, where the notice is given by an authority administering housing benefit or council tax benefit, those sections so apply as if references to the Secretary of State were to that authority).'

(b) in subsection (9), the definition of "relevant benefit" is repealed.'—*(Chris Grayling.)*

Clause 112

CIVIL PENALTIES FOR INCORRECT STATEMENTS AND FAILURES TO DISCLOSE INFORMATION

Amendments made: 5, page 75, line 29, after '71ZC' insert ', 71ZCA'

Amendment 6, page 75, line 31, at end insert—

'(and, where the appropriate authority is not the Secretary of State, those sections so apply as if references to the Secretary of State were to that authority)'

Amendment 7, page 76, line 24, leave out 'Secretary of State' and insert 'appropriate authority'

Amendment 8, page 76, line 26, leave out from '71ZC' to end of line 27 and insert—

'71ZCA and 71ZD apply in relation to amounts recoverable by the appropriate authority under subsection (4) as to amounts recoverable by the Secretary of State under section 71ZB (and, where the appropriate authority is not the Secretary of State, those sections so apply as if references to the Secretary of State were to that authority).'—*(Chris Grayling.)*

Schedule 14

REPEALS

Amendments made: 9, page 155, line 37, at end insert—

	'(ba) in subsection (4)(a) (as substituted by section 102 of this Act), "or authority"; (bb) in subsection (4A) (as so substituted), the words from "(and, where" to the end.'

Amendment 10, page 155, line 40, leave out from beginning to end of line 42 and insert—

	'In section 115C (as inserted by section 112 of this Act)— (a) in subsection (5), the words from "(and, where" to the end (b) in subsection (6), in the definition of "appropriate authority", paragraph (b) and the preceding "or". In section 115D(5) (as inserted by section 112 of this Act), the words from "(and, where" to the end.'

—*(Chris Grayling.)*

New Clause 2

CHILDCARE

'(1) The amount in respect of other particular needs or circumstance, under section 12, shall include a childcare element for claimants who are in work, except in prescribed circumstances.

(2) The maximum award of the childcare element shall be a prescribed proportion of childcare costs (not less than 80%, or 90% where the element contributes to care for a disabled child), up to a prescribed maximum value (not less than £175 per week for one child and £300 for two or more children).

(3) "Childcare charges" are charges of a prescribed description incurred in respect of childcare by the claimant or claimants by whom a universal credit claim is made.

(4) "Childcare", in relation to a person or persons, means care provided for any child up to the last day in the week in which 1 September falls following the child's 15th birthday or their 16th birthday if they are disabled, for whom the person is responsible, or for whom either or both of the persons is or are responsible; and by a person of a prescribed description.

(5) Except in prescribed circumstances, the childcare element shall not be paid where a claimant is in work for fewer than a prescribed number of hours a week or, in the case of a couple, where one or both of the claimants are in work for fewer than a prescribed number of hours a week.

(6) For the purposes of this section, regulations are to provide for a definition of "work."'.—*(Stephen Timms.)*

Brought up, and read the First time.

Stephen Timms: I beg to move, That the clause be read a Second time.

Mr Speaker: With this it will be convenient to discuss the following:

New clause 3—*School meals*

'(1) The amount in respect of other particular needs or circumstances, under section 12, shall include an amount in respect of school meals for any dependents of the claimant.

(2) The maximum award of the amount under this section shall be 100 per cent. of the cost that the claimant would expect to incur in respect of school meals, up to a prescribed maximum value per child.

(3) Regulations shall specify the circumstances under which a claimant shall be entitled to an amount under this section.

(4) Under no circumstances shall any amount payable under this section be included in the "relevant amount" specified in section 93(5) of this Act.'.

New clause 4—*Health costs*

'(1) The amount in respect of other needs or circumstances, under section 12 of this Act, shall include an amount in respect of health costs.

(2) The maximum award of the amount under this section shall be 100 per cent. of the cost that the claimant would expect to incur in respect of prescribed health costs such as prescription, dental and optical charges, up to a prescribed maximum value.

(3) Regulations shall specify the circumstances under which a claimant shall be entitled to an amount under this section.

(4) Under no circumstances shall any amount payable under this section be included in the "relevant amount" specified in section 93(5) of this Act.'.

New clause 5—*Universal credit printed statements*

'The Secretary of State will provide a record to the claimant detailing the amount and composition of the award, including amounts in respect of each of the elements specified in sections 9 to 12 of this Act and of any appropriate sub-elements as specified in regulations.'.

New clause 6—*Payment of housing costs*

'(1) This Section applies to payments of the housing cost element of the universal credit.

(2) Payment of the housing costs element of the universal credit must be made to a person's landlord where:

(a) that person has requested or consented to such payment;

(b) where sub-paragraph (a) does not apply and the person is in arrears pursuant to the terms of the tenancy agreement between that person and the landlord of an amount equivalent to two weeks or more of the amount he is liable to pay his landlord as rent if in either case the landlord requests or consents to payment to him.

(3) Regulations made by the Secretary of State may prescribe the circumstances in which subsection (2) does not apply.

(4) Regulations made by the Secretary of State shall prescribe the person who is to be treated as the landlord for the purposes of this section and shall make provision as to the discharge of liability consequent upon the making of any payments to the landlord.'.

Amendment 23, page 3, line 7, in clause 5, after 'it', insert

'excluding any amount in an Individual Savings Account, up to a prescribed maximum of no less than £50,000, where the claimant is in work'.

Amendment 24, page 3, line 13, after 'it', insert—

'excluding any amount in an Individual Savings Account, up to a prescribed maximum of no less than £50,000, where one of the claimants is in work'.

Amendment 30, in clause 10, page 4, line 36, at end insert—

'subject to these amounts being not less than the additional support for disabled children provided through benefits and tax credits prior to the introduction of Universal Credit.'.

Amendment 27, in schedule 1, page 103, line 1, after 'income,', insert—

(ba) a person's earned income from self-employment,'.

Amendment 28, page 103, line 3, at end insert—

'(1A) Regulations under sub-paragraph (1)(ba) above may include provision for calculating profits and losses of a trade in accordance with generally accepted accounting practice, subject to any adjustments prescribed by regulations.'.

Amendment 29, page 103, line 20, at end insert—

'(4A) Sub-paragraph (4) does not apply where a person has earned income from self-employment and the business from which the earned income in question is derived (or any larger undertaking of which the business in question forms part) is being carried on upon a commercial basis and with a view to the realisation of profits in the business or larger undertaking.'.

Amendment 68, page 103, line 20, at end insert

'; and this will include an additional prescribed minimum level for claimants in receipt of the universal credit additional amount for caring responsibilities, and will be paid in addition to any other prescribed minimum level.'.

Amendment 33, in schedule 2, page 114, leave out lines 34 to 39.

Amendment 26, in schedule 6, page 123, line 10, at end insert—

'(4) No less than six months before the appointed day the Secretary of State shall publish a report on the access to welfare advice, including advice for those unable to use the internet, that will be available at the appointed day, and shall satisfy himself on the basis of that report that provision is adequate to support migration to Universal Credit.'.

Government amendments 14 to 19.

Amendment 61, in clause 97, page 64, line 29, at end insert—

'(3C) For the purposes of paragraph (3B), any element or sub-element of the universal credit award that is paid in respect of children, including childcare, shall be paid to the designated carer, except in prescribed circumstances. Regulations may provide further circumstances in which a proportion of universal credit may be payable to a particular individual.'.

Government amendments 20 and 21.

Stephen Timms: As this Bill returns to the Chamber on Report, it is astonishing how many policy gaps remain. This group of proposals addresses some of the worst holes in the policy on universal credit, and new clause 2 in particular deals with child care.

This is what has happened. Perhaps understandably, Ministers behaved naively, and with beginners' enthusiasm they boasted that universal credit would solve all the problems in the benefit system: that it would always pay to be in work; that the system would be simpler; that thousands would be better off and nobody worse off; and that the benefits bill would be cut. In truth, one did not have to be Milton Friedman to work out that that did not all add up. That is now the Government's problem: they cannot stand up their boasts. When it comes to the detail, they have been unable to deliver. Nowhere is that clearer than on child care support in universal credit.

4.15 pm

Ministers have rightly recognised—as the Secretary of State did earlier—that support for child care is key to whether parents are better off in work or out of work. But the Secretary of State promised, in his evidence to the Committee in March, that the Government's proposals on child care support would be available before the Bill left Committee. He promised the Committee on 24 March that

"it will certainly be done within the Committee stage."—[*Official Report, Welfare Reform Public Bill Committee,* 24 March 2011; c. 161, Q313.]

As I pointed out in Work and Pensions questions, that promise has been broken. No policy was announced before the end of the Committee stage and now the Bill will leave the House of Commons this week and we still do not have a clue what the Government's policy is, because Ministers have not been able to work a policy out.

At the beginning of the Committee stage, we told the Government that we were worried by the lack of crucial details, and now the Bill has come back to the House and they are still missing. Ministers have failed to make this fly. We are talking not about minor details, but about whether parents really will be better off in work, as they generally are under the current system. Achieving the whole purpose of these changes hangs on the Government's decision on child care, but Ministers have failed to reach a decision. That is why Oxfam, Barnardo's, the Child Poverty Action Group and others wrote recently to the Secretary of State saying that for many families on low or middle incomes "the success of universal credit will stand or fall on the level of child care costs covered." Those groups are right: the success of this policy stands on the Government's decision, but Ministers have simply failed to come up with a decision.

At least with the NHS reforms the Government paused to work out a policy: on this Bill, they have not managed to work out a policy, but they are pressing on all the same. No proposals were presented in Committee and we have none in front of us today. Instead, we just had an informal seminar on options. We know that the Government want to extend provision for child care support to people working fewer than 16 hours a week, but they want to do that within the existing budget. That does not add up—it is a mess.

Harriett Baldwin (West Worcestershire) (Con): I thank the right hon. Gentleman for giving way on this extremely important issue. Is his solution the same as that of the groups he mentioned earlier—to put more money into child care?

Stephen Timms: No: our solution is the one in new clause 2, which we are debating. The priority should be to maintain the support currently being received by people working more than 16 hours a week. I understand why the Government say that they cannot simply find more money for supporting child care, but what will be disastrous is what appears to be the Government's intention to give a lot more people support from the same cash-limited sum of money. If that proceeds, a very large number of people for whom work pays at the moment will find that work no longer pays.

Harriett Baldwin: Does the right hon. Gentleman welcome the proposals that would allow people to move into work of up to 16 hours—the mini jobs?

Stephen Timms: If that would mean that people who are currently able to work for more than 16 hours had to give up their jobs altogether, I would not welcome it. That would be a seriously retrograde step. I accept that there is a case for supporting the cost of child care for people in mini jobs as well, but if the additional resources are not available to fund that, it would be a terrible mistake to press ahead and claw that money from people who depend on it to make work pay at the moment.

The Secretary of State set out at the seminar, at which I think the hon. Member for West Worcestershire (Harriett Baldwin) was present, some of the possible options. The Children's Society has analysed some of the options and concluded that under one of them a family could pay out £1.56p for every additional pound earned. Ministers told us that that problem would be eliminated by universal credit, but it now appears that, if they proceed on the basis of that option, the new system will be a great deal worse than the current one, and will introduce a draconian new penalty for working parents. As I said to her, there is a good case for supporting child care for people in mini jobs, but it must not come at the expense of parents being helped at the moment.

The recent report from the Resolution Foundation and Gingerbread also underlined the point that spreading the same budget among a lot more people will mean families losing money for every additional hour they work. The Government are right to express the aspiration that it should always pay to be in work, but in this case, if they pursue the option set out in the seminar, something will be lost in translation, because families will have to pay out in order to work. The current system does a far better job; the new system that is envisaged will be a severely retrograde step, if it has the effect of taking more than £1.50 off people for each extra pound they earn. The Government appear poised, once they have finally worked out what their policy is in this area, to make work far less attractive than at the moment.

The Government have failed to come up with a policy, so our new clause 2 proposes one: it would retain the percentage of child care costs covered and the cash limits in the current system; it would ensure that work continues to pay for those for whom it pays at the moment; and it would allow the retention of the existing 16 hours' threshold. The Government say that they cannot afford any extra spending on child care at the moment. My case to the House is that support for child care for those in mini jobs would need to wait until there is funding for it in order to ensure that jobs of 16 hours per week actually pay, as they do at the moment.

Kate Green: Does my right hon. Friend agree that it is disingenuous of the Government to make proposals to fund child care for mini jobs, given that the child care market is simply not designed in that way? Finding short episodes of child care for just a few hours a week is extremely difficult for parents, and could make child care provision even more financially unviable and drive providers out of the market?

Stephen Timms: My hon. Friend makes an important point and is absolutely right. People are worried about what the Government's proposed changes will do to the child care market as a whole. It could make some

[Stephen Timms]

providers uneconomical. If a large number of people currently using child care for more than 16 hours a week are forced, as a result of these changes, to give up their jobs and to withdraw from their child care places, it would put a huge dampener on, and cloud over, the whole child care market in the way she is right to fear. We feel strongly about this matter—the Government simply have not come up with a policy—so I will seek, if I can, to divide the House on new clause 2.

The Government's failure to produce a policy on child care before the Bill leaves the House is a particularly abject failure. Ministers have not been able to turn their claims into policies. However, although child care might be the most spectacular and significant hole in the Government's policy, it certainly is not the only one. In this group of amendments, therefore, we have tabled two further new clauses to fill the policy holes on passported benefits, such as free school meals and free prescriptions.

At the moment, people on out-of-work benefits are passported to those additional benefits, but the out-of-work benefits will be abolished, so who will be entitled to free school meals in future? Again, that is not an obscure, but a basic question and the Government have again failed to give us an answer.

Chris Leslie (Nottingham East) (Lab/Co-op): My right hon. Friend is right to point out the importance of free school meals for many of our constituents whose children are sometimes in desperate need of the basic nutrition that they receive in schools. For the Government to have got to this stage in the Bill's passage with no clarity about what triggers free school meals entitlement is confusing. Will they introduce a new means test? I am very glad that he has raised the matter.

Stephen Timms: I am grateful to my hon. Friend, who is absolutely right about the centrality of free school meals entitlement in the system. The Government have simply failed to work out who, under their proposals, will be entitled to free school meals. It is not that I am disagreeing with the Government's policy: the problem is that they have no policy. We have no idea whom they believe should be entitled to free school meals. As far as we can tell, they have not got a clue, either.

As my hon. Friend points out, free school meals are an important part of the system. They can be worth more than £350 a year to a family with one child in a primary school and easily more than £1,000 a year to a family with three or more children at school. Clearly, that makes an enormous difference.

Families currently receive free school meals until they work for more than 16 hours, at which point they receive working tax credit so that they are not worse off as they move into additional hours of work. The universal credit White Paper suggested that the Government intend to remove entitlement to free school meals at a fixed income threshold. That may partially answer my hon. Friend's question. However, if they do that, it creates precisely the sort of cliff edge that we were told the Bill would eradicate. I presume that that difficulty has prevented the Government from setting out their policy and is the reason for the Bill's silence on the matter and the absence of notes on the regulations to explain the Government's policy.

If a lone parent with three children lost entitlement to free school meals at some level of earnings—say, £150 a week or more—their net household income would fall unless they earned more than £4,000 extra a year. If the new system works like that, it will be a disaster. It is exactly the sort of disincentive that we have been told all along that universal credit is supposed to remove. If the Government introduced such a policy, universal credit would make the problem of work disincentives far worse than it is in the current system.

Our proposal in new clause 3 is that the value of free school meals should be paid through universal credit and then tapered away gradually as household income rises. I recognise that there is concern among many who follow these matters closely that that could mean that the cash is not used for school meals but other expenses. Given the pressure on household budgets, one can well understand how that might happen. I therefore suggest that the solution is for the cash to be paid on to an electronic card, which could be used only to purchase school meals. An arbitrary cut-off in income, whereby all support for free school meals was withdrawn, would be damaging.

Chris Grayling: Does the right hon. Gentleman accept that his proposal flies in face of the admirable position at the moment whereby, in the lunchtime school queue, there is no obvious and visible difference between those who receive free school meals and those who do not? A provision that would effectively give some, but not others, a particular card with money on it would surely stigmatise those kids who get free school meals.

Stephen Timms: No, the Minister is mistaken. All pupils in the school would pay for their meals with the card. The difference would be how the money got on to the card. Some would pay cash as currently happens and others would have the money placed on the card through universal credit. The Minister is right to raise the matter, which is important, but my solution would solve the problem.

Chris Grayling *rose—*

Stephen Timms: I gladly give way to the Minister again. Perhaps he will tell us how the Government propose that entitlement to free school meals will be determined.

Chris Grayling: If the right hon. Gentleman will forgive me, I will try to catch Mr Speaker's eye in a moment to answer questions, but for now, perhaps the right hon. Gentleman can answer one for me. As different schools today use different systems—some use fingerprinting, some use an electronic card system and some still use cash—does he envisage his proposal requiring schools up and down the country to scrap their current systems and have a new, harmonised system? If so, has he calculated what the cost of that system would be and how long it would take to introduce?

4.30 pm

Stephen Timms: I very much hope that the Government are working out the answers to those questions. I would certainly aim to use existing systems, with the addition of payment via universal credit to simplify the transition.

Harriett Baldwin: On the important subject of free school meals, is the right hon. Gentleman suggesting that the taper would begin immediately someone went into work, or would it come into play once the earnings disregard had moved out of the way, and if so, what would be the cost of his proposals?

Stephen Timms: The point is that it is a zero-cost proposal; I am simply suggesting that the funding would be provided through the mechanism that I have described. It would be tapered away, along with the rest of universal credit, and would sit naturally on top of existing payments, so that there would be just an additional payment in respect of school meals, where appropriate, which would then be tapered away once the disregard had been exhausted. The budgetary cost would be exactly the same.

We have exactly the same issue with free prescriptions. The current system provides them to people on benefits and to some people with low incomes through the HC2 form, but once again, we have heard nothing from the Government about what will happen under universal credit. Our new clause 4 addresses that.

By the way, it is perhaps worth making the point in passing that the number of pupils receiving free school meals is an important indicator for education policy as well. The pupil premium depends on the number of people receiving free school meals. The fact that we have no idea at all who will be entitled to free school meals under the Government's proposals will create serious problems with that, too.

Jenny Willott (Cardiff Central) (LD): Returning to the right hon. Gentleman's proposals on prescription charges, is he not concerned about the evidence that we received at the beginning of the Public Bill Committee from a number of witnesses who said that there was a significant difference between school meals and prescription charges? School meals are an ongoing cost every day, whereas prescription charges tend to come in a batch. By tapering the amount of money that somebody received, they still would not be able to afford significant costs—potentially the cost of a number of prescriptions at the same time—because the amount of money concerned would be an ongoing amount, unlike under a system more similar to the current one, where all the prescriptions are paid for when they are needed.

Stephen Timms: I agree with the hon. Lady's point, and to that extent the current system has a lot of attractions. The problem is that we will lose that system with universal credits. The question is: who will be entitled to free prescriptions? I do not imagine that she is arguing—as perhaps the Government will; I do not know—that there should be a cut-off point in income beyond which people suddenly lose all help for prescriptions. If that happens, we will create a serious and damaging cliff edge in the system, which everyone agrees is an undesirable feature. Our new clause 4 therefore proposes to address that problem, although there may be other problems as well. What I would dearly love to extract is a proposal from the Government, so that we can find out exactly what they intend to do, because so far they have been silent on that subject, as on all the others.

We have been told throughout these debates that the main point of the Bill is to ensure that people are always better off in work. Our task in Parliament is to scrutinise whether the Bill lives up to that laudable aim, but without knowing what the Government will do to provide help with child care, school meals or prescription costs, we simply cannot tell.

Frankly, it is an abuse of the parliamentary process not to tell this House what the Government's policy is before the Bill leaves us. I do not accuse Ministers of withholding information from Parliament; the problem is that they have no more clue about their policy than we do. It is an astonishing and abject failure on their part. They made all these boasts at the beginning—their bragging ran away with them—but now they cannot deliver policies to substantiate those boasts.

Oliver Heald (North East Hertfordshire) (Con): Is it not a bit rich to put the case in that way when under the right hon. Gentleman's Government, who were in power for many years, these aspects were not covered by a benefit? There was no child care benefit or a school meal benefit as such. They were dealt with outside the benefit system, no doubt in a way that he approves of, as I probably do as well, but why suddenly bring these elements into the benefit system?

Stephen Timms: The hon. Gentleman has a good deal more experience in these matters, if I may say so, than some of his Front-Bench colleagues who are dealing with them at the moment. Good provision, particularly for child care support, was of course made through the tax credit system. That strong support for the costs of child care is why there was such a dramatic rise in lone parent employment under the previous Government. I supported that and I suspect from what the hon. Gentleman just hinted at that he supported it and continues to support it today. The problem is that once tax credits are abolished and universal credit takes their place, we have no idea how child care is going to be supported in the future. That is why I am—rather modestly, I think—appealing for the Government to tell us.

Kate Green: Does my right hon. Friend also agree that one of the real concerns we face as a result of universal credit forcing us to look at lumping all the different strands of financial support for families into a single payment is that all the eggs are in one basket, so if one thing goes wrong, the whole benefit—the whole structure of financial support for that family—could collapse?

Stephen Timms: My hon. Friend is absolutely right. For that very reason, the risks are great indeed. When I come on to speak to amendment 24 in a few moments, I will point out that if people go beyond a prescribed level of savings, they will lose all that help under all those headings.

Chris Grayling: Will the right hon. Gentleman clear up one point of confusion for me and, I suspect, for my hon. Friends? Over the past two or three months, he has said that he supports the universal credit in principle. However, his remarks and those of his hon. Friend the Member for Stretford and Urmston (Kate Green) imply some distancing from the proposal. Does he intend to support the Bill on Third Reading or not?

Stephen Timms: The right hon. Gentleman will find out the answer to that question in due course. We have been consistent in supporting the principle of universal

[Stephen Timms]

credit. We think that bringing in-work and out-of-work benefits together is a good idea that has a number of attractions. The problem is that the detailed work to make that policy fly has simply not been done by the Minister and his hon. Friends. There are desperate, gaping gaps in the policy and fundamental questions that he is unable to answer or explain about how the arrangements will work. As a result, the Bill, on departing this House, will leave many households, and many working families in particular, in a very precarious position.

Having talked about a lot of things that we do not know about, let me now deal with some things that we do know about. Clause 5, which I touched on a moment ago, will badly undermine the aspirations of people who are in work on modest incomes. Under the current rules—they have been a long-standing feature of the system—people who are out of work but who have above a prescribed capital sum are expected to use it to support themselves before claiming income-related, out-of-work benefits. If somebody has more than £6,000 in savings, the Government assume an income from them, which is then subtracted from the benefit entitlements; someone with more than £16,000 in savings will not receive means-tested, out-of-work benefits at all. Those two figures were increased from £3,000 and £8,000 by the last Government to help people retain some of their savings when they lost work. For people in work, the story has been very different. There is no savings cap at all on tax credits. Clause 5 will change that fundamentally by extending the rules on savings for those who are out of work to people who are in work.

The Conservative party used to tell us that it wanted to encourage people to save. Clause 5 will not just discourage people from saving; it will make it impossible for them to save. Anyone on a modest income who decides to save for a deposit to buy a house in the future, or for the cost of university education, will suffer an extraordinary punishment under the clause. It is impossible to buy a house today, or to obtain a mortgage for shared ownership, with a deposit of less than £16,000. However, if people have savings of £16,000 towards, say, the deposit for a mortgage—if, as Ministers seem to believe, they start to get ideas above their station—they will lose all their universal credit. Typically, that might be £5,000 a year. In addition, they will lose any support that they receive for the costs of child care, and on top of that they will lose any help that they are given with housing costs.

Those measures will add up to an extraordinary punishment for saving. They will make saving literally impossible, because as soon as people have managed to save £16,000 from their earnings, the Government will drain their savings away. The problem will start as soon as they have saved £6,000. The hon. Member for Redcar (Ian Swales)—who, I am pleased to see, is present—said in Committee that the problem would not last very long because people's savings would soon be gone, and he was absolutely right. These proposals mean that if anyone attempts to start building up a saving that would be enough for, say, a deposit on a house or a contribution towards higher education costs, the Government will take it away by withdrawing their universal credit. The message being sent to people on low incomes who are doing the right thing and working to support themselves could not be clearer: "This Government will not support you."

Amendments 23 and 24 would change that. They would allow people to save money in an individual savings account—up to £50,000 if they are in work. Ministers have told us that it would cost just £70 million a year to exclude all working households from the savings cap, and this measure is obviously more modest than that.

Surely we should be encouraging people to save, not punishing them for saving. People work to improve their lives and the lives of their families. They are aiming not for a bit more spending money each month, but for the means to buy a house, to help their children through university, to start a business or to pay for a child's wedding. If they are to achieve such aspirations, people need to be able to save from their earnings, but clause 5 denies them the chance to do that.

Paul Uppal (Wolverhampton South West) (Con): The right hon. Gentleman has stressed the importance of aspiration. New clause 3, which concerns free school meals, is also relevant to that. Does he not find it interesting that, according to an examination of educational attainment among different ethnic groups, the most successful sub-group are Chinese students, and the second most successful are Chinese students receiving free school meals? The issue is not just money, but how Government can encourage aspiration and ambition, which is the ethos of the Bill.

Stephen Timms: Certainly the Bill should encourage aspiration, but if it prevents people from saving in the way that I have described, as clause 5 will, it will undermine aspiration. That is the point: we want to change the Bill so that it will allow people, even those on universal credit, to save. We believe that everyone should be encouraged to save, rather than being punished for having saved.

The Secretary of State used to agree with us. In 2008, he said that

"poverty is not just about how little you earn; it's also about how little you own."

If we want people to work their way out of poverty in the way in which the hon. Gentleman suggests—and I agree with him about that—we need to offer them the chance to save. I am afraid that if the Government press ahead with making saving on a low income impossible, the phrase "compassionate conservatism" will be revealed as a sham.

For similar reasons, I hope that Government Members will share my concern about the Bill's discouragement to self-employment. Schedule 1 provides for a minimum income floor when calculating universal credit for self-employed people. Under that provision, Ministers are making the assumption that self-employed people will be earning at least the minimum wage for every hour they work, but anyone with even a passing knowledge of what is involved in starting up in self-employment will know that that is absurd. While establishing their business, many self-employed people work extraordinarily long hours and earn hardly anything at all, and their income fluctuates hugely month by month. It is absurd to assume that they will earn the minimum wage for every hour they work, and that they should therefore

have their universal credit reduced accordingly. That is why the Chartered Institute of Taxation has warned that this new system will be much less supportive of self-employment than the current one.

4.45 pm

Our amendment 27 therefore seeks to align the universal credit definitions of income for self-employed people with those used in the tax system and in tax credits. The Chartered Institute of Taxation's low incomes tax reform group has pointed out that allowances are made in the tax credit system for investment in business assets and equipment and for trading losses that can be set against other income or the profits on later periods of trading. Those arrangements reflect the reality of being self-employed. The idea that the self-employed are earning at least the minimum wage for every hour they work in self-employment is a complete illusion, and if the Bill is not amended it will destroy the very effective support that the tax credit system currently offers to self-employment.

Guto Bebb (Aberconwy) (Con): The question of the income levels of the self-employed is not as simple as the right hon. Gentleman makes out. Under the current capital allowance system, a self-employed individual can invest £25,000 in a piece of machinery and immediately wipe off their profits, and it causes deep resentment when they are then able to claim family tax credit. The Government are trying to create a system that supports the self-employed but is fair to other taxpayers.

Stephen Timms: The problem is that the proposed system does not support the self-employed in the way that the tax credit system supports them, because it treats the self-employed as if they are earning at least the minimum wage for every hour they put into their business. I know that the hon. Gentleman is genuinely interested in the position of the self-employed and I think he is supportive of self-employment, but he will know that it is absurd to suggest that a person who starts up in self-employment will be earning at least the minimum wage from day one. That will not be the case, of course; there may be weeks, or perhaps months, in which they earn nothing at all. The current tax rate system reflects that, but the new system will not.

Guto Bebb: Obviously I support the self-employed and want the universal credit system to support them, but we need to recognise that there are situations such as the following: somebody sets up in business to breed angora rabbits for their wool and manages to make £80 in sales in the year. I have not made that up, and it is absurd that that type of business should be supported by the taxpayer.

Stephen Timms: I am sorry to hear the hon. Gentleman belittling self-employment. For many people, including people who have lost their jobs, a move into self-employment can be absolutely the right thing to do, and, over time, they might find that they are able to develop a serious business—not breed rabbits—and earn a living from it. We should be valuing, not ridiculing, such contributions to the economy. I am afraid that there are many problems with the Bill, and one of them is that it so badly weakens and undermines the support that is currently available for self-employment.

Kate Green: Does my right hon. Friend agree that one of the attractions of supporting self-employment is that it often particularly helps those who find it difficult to access the traditional labour market, such as women, because they need to combine work with caring responsibilities and therefore need more flexible hours, and disabled people, who may not be able to access full-time work in a structured workplace but can do some work on their own at home? We also certainly know that there is a long-standing tradition of some of our ethnic minority communities finding that self-employment is the best way for them to sustain economic independence.

Stephen Timms: My hon. Friend is absolutely right to say that self-employment is a crucial element of our economy for many people, including those with caring responsibilities; others who, for other reasons, are not necessarily able to commit to a full-time job; and, indeed, those who simply want the opportunity to build up a business for themselves—it is crucial that the system supports them. Tax credits have done so, but I am afraid that universal credit will not. That is a real worry and the approach being taken flies in the face of Government statements of support for self-employment.

Guto Bebb *rose—*

Stephen Timms: I will gladly give way, and I hope that the hon. Gentleman will support self-employment this time.

Guto Bebb: I am surprised to hear those comments. I understand that the right hon. Gentleman is talking about supporting businesses and self-employed people perhaps working a day a week or two days a week. How does that fit in with his proposals on supporting child care in respect of micro-jobs and part-time jobs?

Stephen Timms: I have made it clear that the priority should be to maintain child care support for those who are currently receiving it. There is a case, with which perhaps the hon. Gentleman agrees, for extending that support to others. If that is to be done—and I can well see the case for it—the funding needs to be provided for it. What we cannot do is take support away from one group, making work impossible for them, in order to support another group. If we only knew the Government's policy on child care support, we could have a proper debate about it, but that appears to be where they are heading. They simply have not had the ability to put a policy together and tell us what it is. The hon. Gentleman has suggested that perhaps too many self-employed people are either earning a negligible amount or are under-declaring their profits.

Guto Bebb: It is important to correct the record. I did not state that self-employed people were under-declaring their profits; I simply stated that the capital allowance system allows the self-employed, completely legally, to reduce their profits to nothing by purchasing an asset. That was the simple point that I was making.

Stephen Timms: That is a long-standing feature of the tax system for businesses generally, and we should be encouraging investment. I see it as a strength of the current system that such necessary investment is supported. The hon. Gentleman is right in the sense that universal credit will remove all that completely. I am afraid that,

[Stephen Timms]

as the Chartered Institute of Taxation has pointed out, it will be a far less supportive system for self-employment than the current one.

Guto Bebb: Again, I need to clarify the record. It is important to understand that the capital allowance system has been changed fundamentally in the past two years as a response to the economic crisis that we are facing. Someone could not previously claim 100% allowances, but they can at this point in time. A 100% allowance on the purchase of an asset worth £25,000 results in the net profits of a small business reducing to nothing and therefore they are supported by the tax credits system. It is important that this Government support the self-employed, but not in a way that encourages them to make investment decisions for the purpose of universal credit rather than for the purpose and benefit of their own business.

Stephen Timms: I am not clear whether the hon. Gentleman supports the fact that we have had 100% capital allowances recently, although I hope he does. When the downturn hit, they were introduced for a very good reason, which was to encourage enterprise and investment, particularly on the part of small businesses.

One of the problems with the Bill is that in many cases self-employed people will be strongly pressured to lie about the hours they have worked. They are not going to admit to having worked 18 hours a day, as some are doing, because they will then lose pound for pound from their universal credit, as it will be assumed that for every one of those 18 hours they have earned at least the minimum wage. This is a bad policy and it needs to be changed.

Amendment 33 may cause some puzzlement. Many people will not know that the Government intend to remove pension credit from people over pensionable age who have a spouse under pensionable age. That has not been announced anywhere and the Pensions Minister has not stood up to tell us about it. We find it buried in, of all places, the middle of schedule 2, on page 114 of this Bill. If the older person were living alone, they would receive pension credit. Those people will in future be penalised because they have a younger spouse. This is a new couples penalty, but we have been assured that the Conservative party wanted to stamp out such penalties. Indeed, the Secretary of State said, once again, in DWP questions earlier that he wanted to remove couples penalties from the system—but here he is inventing a new one. That will change the pension entitlements for some couples with very little notice and, in some cases, by a substantial sum. If Ministers want to change the arrangements for pension credit, they should set that out openly, the provisions should be made in the Pensions Bill and there should be full discussion of the change. They should certainly not try to sneak it past us in the second schedule to this Bill.

We have now established that of the 610,000 recipients of pension credit with a partner, almost 100,000 have a partner aged under 60. The difference between the couple rate for jobseeker's allowance and the pension credit rate is more than £100 a week, so for each year that a couple is in receipt of JSA rather than pension credit, those couples stand to lose more than £5,000.

Chris Grayling: The right hon. Gentleman will remember that we debated this matter extensively in Committee, so it is not quite the bolt from the blue that he suggests. Is it his party's policy that people under retirement age who happen to have a partner who is over retirement age should, through that partner, be able to access means-tested support from the state without any obligation to look for work themselves?

Stephen Timms: In government, we set out the arrangements for pension credit as they stand. In our view, those arrangements made sense. If the Government want to make a case for changing those arrangements, I simply suggest that they need to announce that change and to stand up openly and say that they have decided that in future people cannot have pension credit if their spouse is under pensionable age. We could then have a debate. I would have thought that such a measure ought to be in the Pensions Bill. The Minister is right that we were able to spot the change in Committee and to discuss it then, but this is certainly not an example of the Government's being open—far from it. They seem to have hoped that they could slip this measure through and nobody would notice.

For those couples for whom there is a substantial age gap—in 40% of those cases, the partner will be younger than 55, so the gap will be more than five years—this measure could represent an enormous cumulative loss of £5,000 a year for five years or more.

Chris Grayling: May I take the right hon. Gentleman back to the key question? We are talking about people of working age whose households would be in receipt of means-tested benefits from the state without being obliged to look for work. Is it his policy that those people should not have an obligation to look for work and that their households should be able to continue to receive means-tested benefits from the state?

Stephen Timms: As far as I can see, the arrangements for pension credit have worked perfectly well up to now, presumably with the feature that the Minister is now deprecating. My case is that if the Government want to change the rules for pension credit to discriminate against people who have a spouse under pensionable age, they should do so openly. They should announce the change: it should have been in the Budget, the welfare reform announcement or the Pensions Bill. We have a Pensions Bill going through Parliament at the moment—why was it not included there? Instead, the change was slipped into a schedule to this Bill and no Minister, until asked, said anything about it.

Charlie Elphicke (Dover) (Con): I am a little unclear about whether the right hon. Gentleman's position is that this measure is wrong in principle and he disagrees with it, or he agrees with it but thinks it should have been announced with a fanfare. Will he explain which it is?

Stephen Timms: I certainly think that the arrangement should have been announced, and our amendment proposes that it be removed. I shall be interested to hear the Government's response.

Charlie Elphicke: Let me understand fully what the right hon. Gentleman is saying. If a retired man, say, of 66 is married to a spouse who is 45, she should be able not to have to work and they should be able to double-claim pension credit—is that correct?

Stephen Timms: No, it is not. Any income to the household from a working spouse will be counted in the household income for pension credit purposes. My argument is that if there is a case to be made for a change to pension credit, it should be made openly, and it should have been in the Pensions Bill, which Parliament is currently considering.

Chris Grayling: Forgive me for probing. The right hon. Gentleman has rightly set out his case as an amendment, but I wish to press him on the following point. If a household is receiving elements of pension credit that gives them the wherewithal to survive, is he saying that a 45-year-old should have no obligation to work while the household receives means-tested benefits from the state? It would be helpful to understand that. If that is his party's policy, will he say so clearly and unequivocally?

5 pm

Stephen Timms: I do not recognise the policy that the Minister describes. We have had a long-standing arrangement for pension credit which appears to work perfectly well. If he has found abuses of pension credit, I shall be eager to hear those examples from him when he responds to the debate. I notice that when asked recently about this by my hon. Friend the Member for Leeds West (Rachel Reeves), the Pensions Minister stated:

> "We recognise that it is important not to undermine the stability and outcomes for existing pension credit customers, so there will be no change for couples already in receipt of pension credit at the point of change.—[*Official Report*, 9 June 2011; Vol. 529, c. 422W.]

That is welcome and helpful. I do not know whether the Minister of State, the right hon. Member for Epsom and Ewell (Chris Grayling) has satisfied himself that the abuse that he has just described is not a problem at present. But even that reassurance from the Pensions Minister is not on the face of the Bill. For many couples who have planned around receiving pension credit and been reasonably able to do so, and who are now approaching retirement, the change will come as a severe shock.

We will support the principle of universal credit, despite the holes in the policy about how it will work and despite the perverse incentives that the Government have added for savers and the self-employed, but this is not, as Ministers have frequently claimed, a panacea for all the problems in the system. It is therefore vital that sufficient welfare advice is available at the point of transition. People will find any transition difficult, even one which, unlike this, is to a simple system. Yet at precisely the moment when the Government are embarking on this massive upheaval to the system, funding for welfare advice is being cut.

A large part of the funding—for example, to Citizens Advice—comes at present through legal aid, and the Government have announced that there will be no legal aid funding for welfare advice at all in future. About a quarter of the current funding for Citizens Advice comes from that source and it is being taken away. Most of the rest of the funding comes from local authorities, and that is also being cut. Demand for welfare advice will rocket and funding will plummet. This is a perfect storm for advice services. Our amendment 26, therefore, requires the Secretary of State to report, before universal credit is introduced, on the availability of welfare advice, and to satisfy himself that it is adequate to support people through the transition that the Government envisage.

New clause 5 aims for clarity about how claimants will be informed about their universal credit. It stipulates that every claimant should be provided with a record of the amount of their award, including details of the separate elements that make it up. I understand that the Government intend to provide each claimant with the equivalent of a payslip. I hope the Minister will be able to confirm that when responding to the debate. Will that payslip be provided on payment, as with payslips for those in work? Will it be provided directly by the Department or through the employer, and will it set out the various elements of the award—child care, housing support, support in respect of children and so on? A full statement would ensure transparency between the Government and claimants and would be a welcome feature.

Amendment 30 addresses support for families with disabled children under universal credit. It amends clause 10 to ensure that the amount that those families receive is not less than under the current tax credit and benefits system. My hon. Friend the Member for Glasgow East (Margaret Curran) raised this important point in Work and Pensions questions earlier this afternoon. Under universal credit, a family receiving the higher rate care element of DLA for a disabled child will receive £74.50 through the severe disability addition. At first glance, that seems broadly in line with the current position, but there are worries, because we are told that the higher level of the disability addition will be uprated in future only as resources allow, so it is very likely that families with severely disabled children will lose out over time.

For families with disabled children not receiving the higher rate care element of DLA the situation looks a great deal worse. The amount available under the universal credit disability addition will be £26.75 a week, compared with the £53.62 available under child tax credit, so support will be halved. The Minister has justified that in terms of aligning the support given to children and adults and easing the transition, but we know that children helped under the disability addition will not automatically be helped under adult universal credit.

Amendment 61 proposes that the elements of universal credit paid in respect of children must be paid to the designated carer of the children, except in prescribed circumstances. That is crucial for safeguarding the interests of children. Let me simply quote from the briefing that Oxfam has sent every Member: "We know from our work on the ground that money in households is often unevenly distributed and that women in poor households can have little or no access to money. As mothers usually take the main responsibility for feeding and clothing children, this affects both women and their children. This sometimes means that women themselves go without eating in order to pay the bills or put a meal on the table for their children. This lack of access to income in their own right leaves women open to the risk of financial abuse and can also reduce their chances of escaping domestic violence. As a crucial first step, the Bill must be amended to allow payments intended for children to be labelled as such and paid to the main carer, who is usually female. This change will make it more likely that this money is spent on children." That would be the effect of the amendment.

[Stephen Timms]

Amendment 68 would provide for a minimum amount to be paid to any claimant who has caring responsibilities. It is vital that people who give up their time and energy to look after the most vulnerable in society, saving the taxpayer considerable sums in the process, are properly supported when they move on to universal credit, in line with the help currently available through carers allowance. I hope that the Minister will make it clear how he will ensure that that happens.

In rehearsing these concerns, I remind the House that the whole project of universal credit will depend on an enormous new IT system, which the Government claim will be ready in an implausibly short period of time. In truth, it will not be ready by October 2013, as claimed, which will give rise to serious problems as that deadline approaches.

Charlie Elphicke: I put it to the right hon. Gentleman, as I did in Committee when he made that point, that this Government's approach to IT is far more thought through and better planned than the approach taken by the previous Government, who spent vast amounts of money without any consideration for the end, route or purpose of the policy. This Government are being far more direct and should get the IT ready on time and on budget.

Stephen Timms: I look forward to reminding the hon. Gentleman of that comment in September 2013.

The intention of universal credit is that work should always pay. Without decisions and policies on child care or passported benefits, we cannot know whether work will always pay, and all the indications are that the Government will in due course, when they finally put a policy together, introduce one that will mean that for many work will no longer pay.

On savings, I am afraid that the Government are heading to crush the hopes of many people in work. On the self-employed, the Government will crush the hopes of many who want to set up their own businesses. As Policy Exchange recently argued in its report, universal credit has been oversold by Ministers. I very much hope that the House will support our amendments so that universal credit can support the aspirations of families across the country.

Chris Grayling: I should like to start by making the same point that I made in Committee. I have listened to the right hon. Member for East Ham (Stephen Timms) setting out a vast range of measures and details that he wants us to write into the Bill. He is conveniently forgetting the first fundamental element of a Bill, and the lesson that he taught me 10 years ago, when I was first elected to the House, about the nature of primary legislation. I remember, as a new Member of Parliament, debating an education Bill in Committee and asking why there was not more detail in the Bill. I proposed amendments to provide certain details. I remember the right hon. Gentleman, as a Minister, arguing why that should not happen. He explained that it was a piece of enabling legislation to create a framework for the changes that his Government were seeking to put in place, and that my amendments were all unnecessary. Today the roles are reversed, and the right hon. Gentleman has conveniently forgotten everything that he, as a Minister, taught me all those years ago. Instead, he is telling me that I should put all kinds of new details into the Bill that I have introduced. I am sure that hon. Members will therefore forgive me if I take some of his proposals with a pinch of salt.

Stephen Timms: Is the Minister seriously saying that how the cost of child care will be supported is a detail?

Chris Grayling: I am saying to him precisely what he said to me all those years ago—that many of the details will be dealt with in secondary legislation. The Bill contains a framework that will include, among other things, provision for a child care element in universal credit. That is fundamental, and we all agree that there should be such an element, just as there should be elements relating to disability and to other aspects of the current benefits system that need to be replicated in universal credit.

Sheila Gilmore (Edinburgh East) (Lab): Why does the Minister expect us—and, indeed, the general public—to accept his statements about the impact of this huge reform when so much of the detail in unknown? Is it not reasonable for us to request the details that will tell us whether people are in fact going to be better off?

Chris Grayling: I expect it for precisely the same reason that the right hon. Member for East Ham expected me to support his education measures 10 years ago. He asked me to take on trust many of the same kinds of thing that I am asking the House to accept today. We have been completely transparent in setting out the different stages of the formulation of universal credit, and about the consultation processes that we have been through to fill in the details. We have also been clear and transparent in setting out the principles that we are following in trying to fill in those details.

Dame Anne Begg (Aberdeen South) (Lab): I went along to one of the meetings about the Government's proposals for child care to which the Secretary of State was kind enough to invite people. We were presented with three options containing some very selective figures, and it was therefore impossible to tell exactly what the Government were proposing. I am still none the wiser. It is very difficult to vote on a principle when we do not know what the Government are going to do to implement it.

Chris Grayling: The point is that we do not write numbers on the face of a Bill. I will speak in detail about the right hon. Gentleman's amendments in a moment, but the fact is that primary legislation sets out the framework for such things. We have worked with the hon. Lady and her Select Committee members, with other Members on both sides of the House and with people and representative groups outside the House working in child care and other areas. We started a discussion process to determine which was the best of a number of options to fit into the framework that we are creating.

Dame Anne Begg: The Minister is right that often things are not written into a Bill, but usually the regulations have been published before the Bill leaves the House of Commons. I remember Members who are now on the

Government Benches criticising regulations for being late—not for not having been published, but merely for being late. Where are the regulations so that there can be parliamentary scrutiny of this important aspect of the Bill?

5.15 pm

Chris Grayling: I have had this discussion within the Department. We have already brought forward a number of draft regulations—far more, I am told, than was the case under the previous Government, when, I was told, the instruction of Ministers was very much not to bring forward as many regulations. We have produced as much detail, if not more, about this measure than the previous Government did about their measures. They did introduce some sensible measures—for example, their reforms to introduce employment and support allowance, which was the project of the right hon. Member for East Ham himself—but they wrote a framework into their legislation and filled in the detail with secondary legislation.

Dr Whiteford: One of the concerns raised by children's organisations in Scotland is that not enough consideration has been given to the different statutory framework that pertains to child care in different parts of the UK. In particular, they are concerned that the existing child care infrastructure may not be able to cope with the increased demand that could arise from the introduction of universal credit. I appreciate that the Minister does not want to be drawn on the detail, but can he assure us that parents who are unable to access good-quality affordable child care will not face sanctions if, through no fault of their own, they are unable to find the child care that they need?

Chris Grayling: Of course, we already provide child care universally through our schools system. The truth is that no parent with a youngest child under school age can be subject to any job search-related sanctions. Only once their youngest child reaches school age are they subject to a work-search requirement and can face sanctions. Under the rules that are pursued at the moment, and under the provisions that we have clearly said will exist within universal credit, we will expect lone parents of children at primary school to do a part-time job only if that fits in with the hours of that school.

Dr Whiteford: I am slightly surprised to hear the Minister describing school as a glorified babysitting service. The real pressure point pertains to older children, and particularly to out-of-school care. That is not covered across the UK by the Childcare Act 2006, which applies only to England and Wales. I urge him to take a closer look at that and to give the House the assurance that parents will not be penalised.

Chris Grayling: The point is that we do not penalise parents, particularly lone parents. We do not require them to pursue work; that is out of keeping with the reality of their child care responsibilities. I am not describing school as a giant babysitting service; I am saying that for a goodly part of the year children of school age are at school, and therefore do not need additional child care. The requirements placed on parents by Jobcentre Plus in relation to their job search and whether they take up employment are designed to work around what it is reasonable and what it is not reasonable for them to do. For example, we do not expect lone parents of school-age kids to work night shifts. I can certainly assure the hon. Lady that it is not our intention, nor will it be, to seek to sanction parents in relation to a job requirement that is unreasonable and unrealistic given their child care responsibilities.

Dame Anne Begg: On a matter of principle, does the Minister believe that the regulations should be subject to parliamentary scrutiny in the same way as primary legislation?

Chris Grayling: Of course.

As the right hon. Member for East Ham will know, I have tabled several Government amendments to address the concerns that he and other Members raised in Committee. I will deal with those before I talk in detail about his amendments.

Government amendments 14 to 21 will make certain regulation-making provisions for universal credit, employment and support allowance, jobseeker's allowance and pension credit subject to the affirmative resolution procedure when they are first used. I recognise the hon. Lady's point, and it is a point that was made well by the right hon. Member for East Ham in Committee. I do not think that it would be sensible to make the provisions subject to the affirmative procedure year in, year out, but it is right and proper that the House should be able to debate them fully when they are first introduced.

Charlie Elphicke: I thank the Minister for his important announcement on the use of the affirmative procedure the first time the regulations go through. The process that the Government have taken of consulting informally and sharing the consultation document so transparently, so that we could all sit down and discuss the options for child care, is a great and important step forward. I would have thought that the Work and Pensions Committee would have stirred itself to take a proper look at the document before the regulations come in, and make constructive comments to add to the process of reforming our benefits system.

Chris Grayling: My hon. Friend makes an important point. Some of my colleagues and I have been in the House for longer than he has—and when the Labour party was in government, I do not recall once being called in to discuss the policy-making process for one part of a piece of primary legislation. I was not asked to go in and discuss education or health options; the decisions were always just made. What is different is that we have extended the hand of involvement to the Opposition and said, "Please come and be part of the decision-making process."

Sarah Newton (Truro and Falmouth) (Con): As another new Member, I ask my right hon. Friend to cast his mind back and consider whether the right hon. Member for East Ham (Stephen Timms), when he was a Minister, ever consulted quite so extensively as this Government have with third sector organisations, charitable organisations and other organisations to inform their work in developing the benefits system.

Chris Grayling: I cannot remember the previous Government doing more than we have to engage people in Westminster, people around Parliament, third sector groups and members of the public. We are making a genuine attempt in a number of complex areas to get things right and to involve everyone in the decision-making process, and that will continue. Notwithstanding this afternoon's amendments, we will continue to be delighted to seek and involve the input of Opposition parties, including the Labour party and the nationalist parties. As the hon. Member for Banff and Buchan (Dr Whiteford) said, it is right and proper that we have full dialogue with the Administrations in Cardiff, Belfast and Edinburgh, and with the Members of Parliament who represent Wales, Northern Ireland and Scotland.

Stephen Timms: It is certainly the case that the previous Government never got to this stage in a Bill's passage with such an enormous hole in the policy as there is in this Bill.

Chris Grayling: The technical response to that is, "You wish!" I remember many occasions on which we came to a debate and asked what the Labour Government were planning to do. Did we ever get an answer? Not at all. The right hon. Gentleman and I have different memories of the way things were.

It is important to remember that this Bill creates a structure for universal credit, and that the details will be set out in regulations. The Opposition amendments relate mainly to issues that will be dealt with in regulations, and which do not affect the structure of universal credit as set out in the Bill.

I have accepted certain recommendations from the Opposition. The Bill as introduced provided that the regulations will be subject to the negative procedure. In Committee it was suggested that that would not provide the right level of parliamentary scrutiny and control. The right hon. Member for East Ham identified a number of provisions that he thought should be subject to the affirmative procedure, and I gave a commitment in Committee on 28 April to consider those provisions carefully.

There are two provisions, in clauses 22 and 25, relating to conditionality, for which we do not think the affirmative procedure is appropriate, because they do not introduce new principles. Although we intend that regulations will be much less prescriptive than the current jobseeker's allowance regulations, the powers in the Bill will be used to create a regime for jobseekers that is broadly similar to the current one. We have therefore formed the view that there is no necessity to subject those two to the affirmative resolution procedure. Of course, it always remains within the gift of Opposition Members to pray against regulations if they want a matter to be debated. They could, of course, do so anyway, but we are making their life a bit easier by providing for the affirmative procedure.

I have thought long and hard, and apart from those two specific provisions I agree with the right hon. Gentleman's suggestion that regulations should be made under the affirmative procedure in the first instance. I say "in the first instance" because it does not seem sensible to repeat the process year in, year out when the regulations are regularly renewed.

As set out in amendment 14, that principle covers all the key regulation-making powers relating to the universal credit, including the rules on capital, the calculation of income, the treatment of self-employed people's cases, and the amounts of the elements within an award, including those for disabled children, housing and child care. Opposition Members might say that that is not enough to allay the concerns that they have raised on specific issues, and I shall deal with some of those specific concerns in a moment. However, I made it clear in Committee that we recognised the importance of getting the details of universal credit right. We are working hard to do so in consultation with key stakeholders, and we are listening to their concerns.

The Opposition amendments would pre-empt our considerations and tie the hands of this and any future Government with regard to areas of policy in which it is important to retain flexibility. I believe that it is perfectly reasonable to say that as we reach a final conclusion on what is right, involving Members of all parties, the Work and Pensions Committee, organisations such as the Social Security Advisory Committee, and third-party groups, we will bring regulations to the House by the affirmative procedure. There can then be a full and proper debate in Committee and a vote on Floor of the House.

Dame Anne Begg: Clearly the Minister has moved on this issue, but there is still the problem that the affirmative procedure is "take it or leave it". The Work and Pensions Committee and other Members have no ability to amend regulations, so it is not the same as the line-by-line scrutiny that primary legislation receives.

Chris Grayling: I accept that, but that is precisely why we have extended the hand of involvement to the hon. Lady and her Committee and to Opposition Members, so that they can help us shape the details. This is a big complex project and there are challenging issues to deal with, and we want to work on a bipartisan basis and take views from all parties on how best to shape the system. In the end we will have to take a final decision ourselves, but it is our goal and intention to involve all those who wish to be involved in the thought process.

That brings me on to child care, on which we have been seeking to do precisely that. New clause 2 raises important points about how we intend to support people with formal child care costs within universal credit. Hon. Members will be aware that we recently held two seminars on the topic. Members of both Houses attended, and there were interesting and fruitful discussions. There was a follow-up seminar with a group of key stakeholders. I am aware that Members raised particular queries, and we have undertaken to look into them and provide more information. The seminars were part of an ongoing dialogue about how best to structure child care support under universal credit.

For now, I reiterate the point that I made in Committee. The Bill already allows us to include an additional element for child care within universal credit, under clause 12. We have made a firm commitment to provide such an element, but I make no apology for taking time over the details. We must get them right, and to do so we must listen to those with experience and expertise and consider the options.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): The Minister will be aware of how important the child care tax credit has been in supporting families' child care. Will he undertake that people will not be worse off in terms of their child care costs, or is the change really just about saving money?

Chris Grayling: As the hon. Lady would have known if she had listened to the debate in Committee, we are putting in place transitional protection for the introduction of universal credit, so that no one will lose out in cash terms as a result of the changes. That is right and appropriate. The problem with new clause 2 is, first, the cost, which the right hon. Member for East Ham did not mention.

Had we introduced new clause 2 with the current 16-hour rule, the cost would be around £200 million to £400 million, which would be additional to current expenditure of around £2 billion. The Opposition have therefore made a clear spending commitment, which appears to be a reversal of their policy—I was under the impression that the Leader of the Opposition and the shadow Chancellor had said, "No spending commitments without official sanction." Perhaps this spending commitment has official sanction, but, if so, they need to say where the money is coming from.

Two or three Opposition proposals that we will debate today require extra spending. It is incumbent on a party that has just presided over the building of the biggest deficit in our peacetime history to say where the money is coming from if it proposes spending commitments that would take away some of the money that we are trying to reinvest to deal with the deficit. Do Labour Members want to borrow more money? If so, that £200 million to £400 million means extra public borrowing. Alternatively, will they increase taxes? They need to explain where the money is coming from.

Mrs Madeleine Moon (Bridgend) (Lab): Does the Minister understand that many women are frightened by the Bill's proposals and nervous about their futures—about whether they can continue working and supporting their families? Women who are looking to move into work are not worried about artificial arguments on whether the Labour party has a new spending commitment. They want to know whether the Bill will give them the opportunity to move into work when they are capable of doing so, and whether the Government will give them child care support. In many cases, child care is the only thing stopping them making that step.

Chris Grayling: Women and men in this country have realised that the previous Government's belief that money grows on trees is wrong. They have also realised that the consequence of the previous Government's policies—they simply threw money at every problem—is that we are faced with the most monumental deficit challenge. If we do not deal with that, we will end up in the same position as a number of other countries. I would not want us to be in that place, because women's chances of getting back into work would be much diminished by the state of such an economy.

Mrs Moon: I appreciate that there is concern about the deficit, but will the Minister assure us that women who are unable to work because the cost of their child care will remove all the benefit of them doing so will not find themselves harassed or pressured by the Department for Work and Pensions to take work that will leave them out of pocket? Will that be taken into account when their capacity to work is reviewed?

Chris Grayling: I am not sure whether the hon. Lady was in the Chamber a moment ago when I answered question on child care from the hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne), but the former seems to be forgetting the fact that there is no job search obligation for the lone parent of a child who is below school age. A job search requirement is made only when a child is at school, and the requirement is for a willingness to accept a reasonable job offer that fits around school hours. No draconian measure is waiting to hit a lone parent as their child grows older. Our system is pretty supportive, and we have been absolutely clear that child care costs will continue to be paid through universal credit.

The hon. Member for Bridgend (Mrs Moon) must also understand that our nation's resources are finite. We cannot just turn on the financial taps because we feel like it. We must take pragmatic decisions on what the nation can and cannot afford. We set out very clearly in our announcement last year that there is a £2 billion envelope to fund child care. Parliamentarians now need to agree how best to spend that money.

John McDonnell (Hayes and Harlington) (Lab): As the Minister knows, I have supported the universal credit system for some while, but each of the proposed amendments address vulnerable people—people on free school meals, people living in near poverty or poverty, children with disabilities, and people who are sick and who incur health costs. Those real anxieties about the introduction of the new system need to be assuaged. When the Minister responds on those issues, could he at least give us some sort of time scale on which they will be addressed, so that those people can have more certainty in the run-up to the introduction of the new system?

Chris Grayling: The answer is that we will do it as quickly as we possibly can. We are not in the business of delaying these things. We are doing the consultation on child care now, and I hope that we will reach a resolution in a relatively short space of time. However, I want to take the time to get it right. I do not want to rush through under an artificial timetable something that is not necessary right now. We are still two and a half years away from the introduction of new claims for universal credit. We have got time to get these things right and we are trying to work with a fixed envelope of money for child care—we will talk about some of the other issues shortly. We want to take the time to look at the real costs of child care, the requirements and how we can best deploy the £2 billion available.

John McDonnell: I am not trying to catch the Minister out—I am trying to secure clarity on each of these issues. What is an indicative time scale for addressing those anxieties, so that people can have some prospect of being able to calculate their futures in those areas?

Chris Grayling: I will endeavour to answer that. On the child care issue, we are in consultation at the moment. I would hope that we will get all the responses that we are going to get by the summer and be able to take decisions quickly after that. That would be my first answer to the hon. Gentleman's question.

Mrs Main: Does my right hon. Friend agree that it is unhelpful for the hon. Member for Bridgend (Mrs Moon) to talk about the Department for Work and Pensions "harassing" women who are considering going back to work? All these measures are an attempt to be mindful of the public purse and to encourage people to go back to work and do the best they can for their families—because being in work is good for their families.

Chris Grayling: My hon. Friend makes an important point. The whole purpose of universal credit is to provide assistance to people who are trying to get back to work and to ensure that work always pays. I hope that the women of Bridgend will benefit, like those across the country, from the introduction of universal credit and the extra support that it will provide to ensure that they are better off in work.

Kate Green: I noted the Minister's reminder a few moments ago that transitional protection would also be available in respect of child care costs. Can he confirm that one change in circumstances that can be predicted is that child care costs will vary between term time and school holidays and that that will not trigger a change in circumstances that would lead to the cancellation of transitional protection?

Chris Grayling: It is not our intention that routine or minor changes in circumstances would lead to the loss of transitional protection. The requirement for child care clearly fluctuates during the course of the year, but follows a set pattern. It is not our intention for a moment to remove transitional protection in that situation, nor is it our intention to remove it in an environment in which there is an annual increase—RPI or CPI—in the rate of child care. We are looking at material changes in circumstances, and I certainly would not envisage the change from term time to holidays as a material change.

The other issue that I have with the Opposition's proposals is that they would remove the ability for people to take up mini jobs. For women re-entering the workplace after a lengthy time out of it, there is a bigger barrier than needs to be the case. One of the strengths of the universal credit system is the flexibility for people to take on mini jobs. The level of prescription set out in the Opposition's proposals would set up unnecessary and inappropriate barriers to getting people back to work.

Sheila Gilmore: In Committee, we heard a great deal about these mini jobs. We have just heard the Minister say that we should not be worried about the effect on parents of children of school age because a job could be encompassed within school hours. Why is it so necessary to take money away from people who are trying to improve their families' prospects of getting out of poverty in order to help people in mini jobs—although I do not fully understand the concept—because surely those would be covered by school hours even more?

Chris Grayling: The changes we made last year—the reduction from 80% to 70% support—merely returned us to the situation that applied before 2006. On the mini jobs, I want us to spend the money we have on supporting people from deprived backgrounds and in the most deprived situations into the work place so that they can make the most of their lives. The mini job is a perfectly reasonable way of doing that. I also happen to think that for many lone parents, a mini job during schools hours is a perfectly reasonable alternative that might mean that the need for child care is not great. None the less, the option should be there. We should not be writing—this is the key point about some of the Opposition amendments—into primary legislation rules that cannot be undone for two or three years, while we wait for a parliamentary slot. Instead, we need to set out straightforwardly a situation in regulations that can be amended if the situation requires. I could not possibly accept an amendment from the right hon. Member for East Ham that would write into primary legislation actual amounts of benefits that should be paid. The Labour party would never have done that while in government. It would not have happened, and I am not going to tolerate the idea now.

Charlie Elphicke: The detailed and comprehensive information that the Minister and the Department for Work and Pensions shared with members of the Bill Committee and the Work and Pensions Committee sets out clearly that joint working is the norm for couples in this country. In most families, mine included, with young children, both spouses or partners work. I, for one, resent the idea among some older people that mothers just sit at home and have primary responsibility for child care. Society has changed, and it is time people moved on from being old-fashioned and out-of-date and accepted that the reality of modern Britain is that both parents play a key role in bringing up children.

Chris Grayling: My hon. Friend makes his point in his usual forceful and inimitable way. He highlighted how Labour Members struggle to move on from traditional ways of things. Listening to the right hon. Member for East Ham, I am still not sure on which side of the argument he falls. Does he think that we are doing the right thing, but want to fine-tune it a bit, or is he trying to distance himself from the Bill, so that on Wednesday the Opposition can vote against it and so say to the pressure and lobby groups, "We are on your side"? I am genuinely not sure which is the case, although if they do vote against it, I will love it. I will look forward to arguing up and down the land that this Government have got it right on welfare reform, and that the Opposition have not. I wait with interest and enthusiasm to discover how they vote.

New clauses 3 and 4 provide an amount for school meals and health costs in universal credit. It is absolutely our objective to ensure that people on universal credit will continue to receive appropriate support for school meals and health costs, and that this support is withdrawn gradually to avoid damaging the incentives to work. However, entitlements to passported benefits are the responsibility of other Departments and devolved Administrations. We have been working closely with those responsible to consider the options, and we have commissioned the Social Security Advisory Committee to review passported benefits and how they interact with universal credit. The review was announced in a written statement on 23 May, and a copy of its terms of reference has been placed in the Library. To answer a question put to me earlier, I should say that the Committee will produce its interim report in September and a final report by January. The Committee provides a good way of considering this challenging and important cross-governmental issue. We are certainly well aware of the

potential for a large cliff-edge reduction in a person's income, if support for school meals is withdrawn completely when they reach a certain level of earnings, and we are working closely with other Departments on the matter, as well as on the review.

On health, we aim to ensure that passported benefits are awarded to broadly the same number of people as now. However, passporting is not the only source of help with health costs. Income-related help is also available through the NHS low-income scheme, which can be claimed by anyone on a low income who has capital of less than £16,000. For people on medication, pre-payment options can also significantly reduce the cost of recurring prescription charges. With a 12-month pre-payment certificate, the maximum cost of a prescription is £2 a week, although of course that is an issue only for England; for those with constituencies in Scotland, there are no prescription charges.

Stephen Timms: The Minister made an important point a moment ago. He said that he agreed that support for free school meals and prescriptions should be tapered away. That is different from the proposal in the White Paper to have an income threshold and no support. Is that a change in Government thinking?

5.45 pm

Chris Grayling: That is precisely what we have asked the Social Security Advisory Committee to examine for us: how best we deal with that cliff edge. We accept that it is there. How do we tackle it to maximise the likelihood of people moving into work?

In most cases, health charges will be one-off or occasional costs that are unlikely to weigh heavily in people's perception of the financial gains from working. However, for some disabled people in particular, there may be a more significant factor. The current passport from working tax credit together with the separate NHS scheme for people on low incomes should mean that health costs are not, in theory, a disincentive to work, but we know that the reality is often dictated by perceptions and issues about access. We will work to get that right for universal credit. However, we await the Social Security Advisory Committee's recommendations with interest and we believe that it will be necessary to consider them with other Departments. We need to find a way in which to address the matter that maintains support without creating insuperable barriers to returning to work. It is a complex subject, which falls beyond simply decision making by our Department because we are not responsible for much of it.

New clause 5 would ensure that claimants understand how the amount of universal credit that they receive is calculated. I share that goal, but we do not need primary legislation to achieve it. We are designing universal credit to ensure from the outset that people have the information that they need in an accessible form that is clearly set out. We intend to provide a clear record of any award when it is first made and of subsequent changes, ensuring that claimants are always up to date with the latest position.

Universal credit will be a digital service by default that claimants will predominantly access online. However, we recognise that not all universal credit claimants have access to the internet and we will continue to provide notification through other channels. We are also working with the Government Digital Service—as well as other partners—to help people get and stay online by providing more reliable internet access and training in communities. Of course, we put in place some of the measures to increase digital access when we debated the appropriate regulations last week.

The hon. Member for Stretford and Urmston (Kate Green) was concerned that one part of the benefits system going wrong would bring down the whole deck of cards for a family. She is wrong in thinking that, simply because we have multiple channels, the system somehow works well at the moment and will be much more vulnerable under universal credit. The current system does not often provide that security. Outstanding questions can affect a wide range of existing benefits, particularly at key points of transition, such as moving into work. Many people do not even claim everything to which they are entitled. Rather than a patchwork of provision, with people thinking, "Have I got everything I'm entitled to? If I don't know a particular answer, everything gets delayed", a single point of entry, a single point of access and a single system of paying benefits makes it less likely that somebody will get into difficulties and not receive all the money to which they are entitled. I do not therefore believe that the hon. Lady has got that right. We are confident that universal credit will not have the effect that she suggests—it will make it easier to access benefits. Of course, we intend to introduce a system of payment on account, which will allow some payments to be made even if all the details of the claim cannot be sorted out straight away.

Amendment 26 on reporting would make it a legal requirement that we assess and report on access to welfare advice, including advice for those unable to use the internet, before we introduce universal credit. Universal credit will be a simpler system than we have today. It will be easier for potential and existing claimants to find out relevant information online, and easier for advisers to understand and advise.

Welfare advice is already provided by Jobcentre Plus, Her Majesty's Revenue and Customs and local authorities through a variety of means—over the internet and via other routes.

Dame Anne Begg: Even if universal credit fulfils what the Minister describes—he says that it will be simpler, and although it will certainly be simpler superficially, in practice it may be more difficult—with any move from an old system, it takes time for people such as advisers to become familiar with the new system. Advice will be crucial at that pinch point. Will the Minister ensure that the organisations that provide advice are properly funded in that transitional period?

Chris Grayling: My view is that our partner organisations, such as Citizens Advice, need to be involved and informed of all the changes. We need to continue to be able to offer the valuable advice that they give to individuals. We provide quite substantial blocks of Government funding to Citizens Advice and similar organisations, and it will be for them to decide how best to use that financial support. In what are straitened financial times, I would hope that those organisations would see their priority as sending as much of that money as possible to front-line advice services, and spending as little as possible on central administration, central marketing activities and other head office functions. I would like

[Chris Grayling]

those organisations to focus on providing every spare bit of cash that they can for front-line advice services—as well as finding ways of generating more spare cash for that purpose—because after all, that is where the money is most effectively and valuably spent.

We will seek to provide guidance, training and advice for advisers on the universal credit and the implications thereof. There is always a willingness on our part to talk to groups of advisers, including at some of the big conferences that Citizens Advice organises. I have not been able to do so yet—I have offered to do so on other matters—but we are always willing to provide such input to those organisations.

Yvonne Fovargue (Makerfield) (Lab): Does the Minister accept that the money currently given to Citizens Advice is spent centrally on vital services such as training advisers, the information system and support for those agencies? In fact, none of the money goes to local bureaux, which are extremely concerned about the effects of the cuts in 2013.

Chris Grayling: Every organisation has to look at how it operates in tougher times financially, and at how best to spend the money that it has available. I am sure that Citizens Advice will be no different in that respect.

Amendments 23 and 24 deal with the capital limit and propose that for claimants who work, the universal credit assessment should ignore savings that they hold in individual savings accounts up to a prescribed maximum of no less than £50,000. We fully understand the importance of saving. Working families should seek to provide for their future needs and larger purchases. However, families with substantial savings should draw on those reserves when their incomes fall, not look to the taxpayer for support. Our analysis suggests that in 2014-15, there will be up to 100,000 households on tax credits with savings over £16,000 who could be affected by the capital rules in universal credit. However, transitional protection will ensure that there are no cash losers at the point of the transition to universal credit where circumstances remain the same.

However, it is important to be fair to the taxpayer. Although nearly one in three pensioner households have savings in excess of £16,000, only 13% of households with a working-age adult in them have that much in savings. A typical working-age household has only £300 in savings. It cannot be right that people with significantly greater savings than the average family can claim universal credit. A maximum limit of at least £50,000 in ISA savings, as proposed by the right hon. Member for East Ham, is a large sum to be excluded from the capital ceiling. We are striking the right balance between protecting people with modest savings and placing responsibility for their own support on those with substantial resources. Once again, we are talking about an uncosted spending commitment. The right hon. Gentleman said that it would cost £70 million a year to uncap totally, but not that many people on universal credit would have savings of more than £50,000, so the majority of that £70 million would be spent on his measure. The reality is that this is a multi-tens-of-millions-of-pounds spending commitment. Once again, we have not heard from the right hon. Gentleman where the money would come from.

Amendment 30 to clause 10 would mean paying at least as much in the additional elements for disabled children as we did in benefits and child tax credit prior to the introduction of universal credit. As we announced in policy briefing note 1, "Additions for longer durations on Universal Credit", we will retain two levels of payment for disabled children in universal credit. The higher element will be payable to more severely disabled children receiving the highest rate of the care component of disability living allowance. The lower rate will be payable to children receiving the other rates of the disability living allowance care component. The higher rate will be increased by £52 a year, with eligibility extended to children who are severely visually impaired, who currently receive only the lower entitlement.

The key change is that we propose to align the elements for disabled children and disabled adults. That means that the lower rate would be around £26.75 and the upper rate £74.50 a week in current figures. The lower rate for a less severely disabled child in universal credit would be less than now, but we have pledged that where universal credit entitlement is less, transitional protections will be put in place. Our aim is to simplify and align the additional elements for disabled children with those for adults. We do not think it right that when a young person claims benefits in their own right, the extra amounts payable for disability are different. We also want to focus resources on the most severely disabled children and adults. Savings from abolishing the adult disability premiums and changes in the child rate are not going back to the Exchequer. This is not a cutting exercise; it is about recycling that money into higher payments for more severely disabled people.

Amendments 27, 28 and 29 to schedule 1 relate to the regime for self-employment in universal credit. As I told the right hon. Gentleman many times in Committee, we are committed to ensuring that people in self-employment have the financial support that they need. Amendments 27 and 28 would take a power to allow "accruals accounting" of profits and losses from a trade to be used in the reporting of earnings from self-employment. Strictly speaking, that is unnecessary, as the power taken by paragraph 4(1)(b) of schedule 1 already permits such a regulation. Amendment 29 would limit the application of the power taken at paragraph 4(4), which allows for a minimum level of earned income from self-employment to be set. It proposes that the minimum level would not apply where the claimant's business was conducted on a commercial basis with a view to the realisation of profits.

We recognise that self-employment is a vital element of the economy and will be an important contributor to the sustained recovery from recession that we all want. It is also an important route into work for many people. We are therefore giving careful consideration to the conditions that we set for people claiming universal credit who seek to make their living from self-employment. The enabling framework provided by the Bill allows the treatment of income from self-employment, including the definition of earnings to be taken into account, to be set in regulations. We therefore do not need to decide this question today; we can work to get it right. However, as I have said to the right hon. Gentleman previously, we have to deal with the issue carefully. It is not the intention to make it impossible for people to get into self-employment, particularly in the first few months, when they have difficulties and money does not come easily. However, in the current system, people can report

no or very low income from their business activity and continue to receive the bulk of their benefit or tax credits entitlement. We want people to become progressively less reliant on benefits and universal credit. At the end of the day, we cannot have the taxpayer funding someone who is notionally self-employed—and on whom there is no job search requirement—but who generates little or perhaps no income at all from that self-employment. We have to apply a threshold to determine whether someone is credibly in self-employment or whether they are using self-employment as a reason for not looking for other job alternatives. We have to get this right.

Mrs Main: My right hon. Friend makes a valid point about people who are considered self-employed. Does he have any view about those who are considered self-employed who sell magazines such as *The Big Issue*?

Chris Grayling: My hon. Friend makes an important point. That is something that we need to address, because the current situation is not right. We need to ensure that the system is fair and justifiable in the eyes of taxpayers and other individuals. I share some of her anxieties, and although it is not in my remit to pursue the issue, I am sure that she will make her representations elsewhere in Government. It is not that we want to do anything that undermines that publication or others in a similar position; rather, we want to ensure that the position is not only fair and equitable, but defensible and justifiable.

Mr Christopher Chope (Christchurch) (Con): My right hon. Friend knows that I have expressed some concerns about this issue in the past. Can he give us an assurance that self-employed income will be based on actual income, rather than deemed income? Linking self-employed income with an assumption that people are earning the minimum wage would effectively put most farmers in this country the wrong side of the line, because probably most of them earn less per annum than they would if they were paid the minimum wage for the hours they work. The same goes for young barristers, lots of people in the carpentry and building trade, and others building up businesses. Surely the system should be based either on actual earnings or on something else. If it is based on something else, that surely needs to be spelt out clearly, because there are rumours circulating that we are effectively imposing a minimum wage by the back door on self-employed people.

6 pm

Chris Grayling: My hon. Friend makes a good point, underlining the complexity of these issues and why I believe it inappropriate to set hard-and-fast rules in primary legislation. If we find that we have not got it right the first time around, or if things need to be done to remove anomalies, which they might well be, it makes no sense to have written the fine print into the detail of primary legislation, therefore making it more difficult to adjust accordingly. This is one reason why it is important to maintain as much flexibility as possible.

Stephen Timms: The hon. Member for Christchurch (Mr Chope) referred to rumour, but the White Paper said that self-employed people would be deemed to have earned at least the minimum wage for each hour of employment. Can we take it from what the Minister is saying that the Government are reconsidering that White Paper decision?

Chris Grayling: As I said to the right hon. Gentleman in Committee, we are looking at the best way of doing this. We cannot have a situation in which people who are receiving an entitlement to the universal credit while generating no income at all over long periods of time still say that they are self-employed. We must ensure that that does not happen, and we are looking for the best way of doing it. If we wrote the rules into primary legislation, we would not be able to take decisions and fine-tune on the basis of experience, as we would have to come back to primary legislation every time. That is why I think it inappropriate to accept the right hon. Gentleman's amendments.

Let me make some further progress. Amendment 33 seeks to remove the restriction on eligibility for pension credit for couples where one member is below and the other is above the pension credit qualifying age. Suffice it to say that although someone over the retirement age should be able to receive benefits for the household under the pension credit system, someone under the retirement age being able to receive the benefits of a means-tested system without having to go out and look for a job is just plain wrong. I am afraid we disagree on that, and I am comfortable with the changes. They are set out in legislation, which is where one would expect them to be set out. I am disappointed at the right hon. Gentleman's disappointment that we have not issued a press release on the subject, but I do not think that this is the kind of change that would command the front pages of any newspaper. It seems perfectly reasonable to set out proposed changes in legislation, given that it is legislation that is laid before the House with accompanying explanatory notes that Members can read and discuss and into which they have an input.

Amendment 68 would add additional provisions for carers to paragraph 4(4) of schedule 1. It is not necessary to set a minimum level of payments to carers. The risk is that the incentives for carers to get into work are blurred by the automatic payment of an amount that does not relate to their personal circumstances. We all agree that work, not benefits, is the best route out of poverty, and we must ensure that payment levels are not set so high as to undermine that.

Amendment 61 takes us back to an issue that was extensively debated in Committee in respect of the payment of universal credit. Opposition Members suggest that that default position should be that payments made in respect of children are routinely directed to the carer. The amendment would provide powers to specify other circumstances for paying a portion of the universal credit award to a particular individual.

We have published a policy briefing note setting out our intentions for payments. We have already said that couples will be able to choose which of them receives the award and they could direct it to a joint account for both to access. It is a core principle of our approach that individuals are best placed to make choices about what is best for their own circumstances. There will, of course, be some exceptional circumstances and there are powers within the Bill to amend the Social Security Administration Act 1992 to allow the Secretary of State to pay all or part of an award to another individual. We

[Chris Grayling]

do not need this amendment to ensure that. However, the default position should be that we make payment to the person chosen by the couple, not by anyone else.

Many of the concerns raised in this debate are, of course, about the possibility that universal credit might be less generous to some people than the current system of benefits and tax credits. We propose a radical reform and a simplification of the welfare system. In that situation, it is not possible to replicate exactly every aspect of the current system. That is why we will introduce a system of transitional protection to ensure that there are no cash losers as a result of the move to universal credit.

Dame Anne Begg: Will the Minister tell us how much will be available for the transitional protection? The figure of £2 billion was mentioned, but that included all the changes, all the administration and IT as well as the transitional protection. What is the spending envelope? How much will cover the transitional arrangements?

Chris Grayling: The £2 billion contains sufficient money for us to be able to deliver the transitional protection and the various changes. I do not have the numbers in front of me, but I will happily write to the hon. Lady to give her the more detailed figures we have published so far. We have given a clear commitment to transitional protection. It costs what it costs, but we have made a sensible projection of what we believe it will cost, which is contained in the budget for the spending review period. It is important to ensure that there are no cash losers as a result of the transition, but it is impossible to make a big change of this kind without finding that people in subsequent years are in a different financial position from their counterparts in previous years. Inevitably, some will move one way; others will move another. The only fair and proper way of dealing with the situation is to ensure that everyone is protected in cash terms.

We think that we have put together a framework in part 1 that will give us the flexibility to introduce the universal credit and to fine-tune the proposals as necessary so that if we do not get everything quite right at the start, we can fine-tune as we go by, and that a future Government will have the flexibility to do that. We have made absolutely sure that we have the appropriate protections in place so that there is an element for child care, for parents, for those with disabilities, and so on and so forth.

We think we have created a sensible framework of the kind that in different areas of policy and in different ways were created through primary legislation by previous Governments, including the last Government. I do not believe for a second that it would be prudent to write into the Bill the sort of amendments that the Opposition have tabled. I have responded to their wish to see more measures brought forward on the affirmative rather than the negative procedure, which I think is right and proves that we will listen and make amendments where it is sensible to do so. I am afraid that the Opposition are seeking to write the sort of detail into the Bill that they would never have put in legislation when they were in government; they would never have followed that approach themselves. That is why I cannot possibly accept their amendments and why I ask the House to accept the Government new clauses and to reject the Opposition amendments.

Sheila Gilmore: The debate we have had—in Committee and this evening—shows some of the pitfalls of saying, "We are going to simplify benefits." The Minister and his colleagues have said to the country generally, "We're going to simplify benefits. This is a simpler system, so it must, by definition, be a good thing." They expected and, indeed, got from many people the answer, "We agree that benefits should be simplified." The problem is that when dealing with real people and real situations it all becomes much more complicated, as our debates tonight and on previous occasions have demonstrated quite clearly.

The details of issues such as school meals, health charges and the even bigger matter of child care are extremely important, and will have a real impact on whether the new system works for people, will make them better off, and enables them to get into employment, stay in employment, improve their circumstances and get out of poverty. We all agree that, except for those who suffer from real and deep health problems, employment is the best way out of poverty. If, however, such an important element as child care is left so undefined, we cannot know the answer to that question.

Frankly, we are being asked to buy a pig in a poke. We are told, "If you don't accept it, don't vote for it or don't agree with it, you are throwing over the whole issue of welfare reform." I do not accept that. Nor do I accept the Minister's view that he was given that sort of response by the previous Government and that there should be simply a framework—an empty bookcase, as he was wont to say in Committee—as there was before. It seems to me that if he thought it was wrong then—and it sounds as if he did—it may still be wrong now. As I said in Committee, people should not be asked to buy that empty bookcase without knowing whether it contains classics or cheap comics.

Charlie Elphicke: The Government have gone to great lengths to engage all parliamentarians, including the hon. Lady, in discussions about the nature and design of child care. Is she saying that she would prefer the Government to present a fait accompli, rather than listening to her and giving her a chance to inform, and possibly change, Government policy?

Sheila Gilmore: In general, I should prefer legislation not to be pushed through all its stages until more of the details have been dealt with. When the original Bill was presented to the House, some of the consultations with the public were still taking place. An important consultation about disability benefits, with which we shall deal later, had not finished before the Bill was printed, and consultations about child maintenance did not end until April, when proposals were already in writing. There are other ways of doing things, and the fact that they have or have not been done properly by past Governments does not strike me as a reason for not trying to do them properly now.

Child care is particularly important to people who want to improve their position. The hon. Member for Dover (Charlie Elphicke) said that we had been consulted, and indeed we were invited to a briefing at which we

were presented with certain scenarios, but I am not sure that I gained a very clear understanding from that session of exactly what the Government were proposing. I subsequently received briefings from other organisations, as no doubt has the hon. Gentleman, expressing the view that the new child care arrangements, such as they were—the proposals had not been finalised—would not leave people better off. It is a question of what we accept and what we believe.

It is difficult for us to form a view, but it is possible that if we do not get the child care arrangements right, many people will decide that work does not pay. They will feel either that they must reduce their hours considerably, or that they cannot afford to continue their work and must give it up altogether. I do not think that that is the outcome that the Government seek.

Charlie Elphicke: The hon. Lady clearly supports the fait accompli proposed by the Opposition—including, it seems, the ending of the whole principle of the mini-job, which would imprison people with child care responsibilities in their homes. Does she really think that that is the answer?

Sheila Gilmore: I am not convinced that the new clause does away with the entire principle of the mini-job, although I would certainly have liked—preferably before we embarked on the Bill—a debate about what was, for me, a new idea, possibly good and possibly bad. I do not think we have fleshed out exactly what we are doing in this regard.

As I said in an intervention earlier, if the idea is to encourage people to undertake work involving all hours of employment—given that they are able to obtain such work—I am not sure where the so-called mini-jobs will be found or what their quality will be. Are we talking about six or eight hours a week, as some people seem to be? Where will the jobs be, to what extent will they increase earnings, and will the necessary child care be available?

Guto Bebb: I am surprised that the hon. Lady refers to micro-jobs as if they were not important. I should have expected a Scottish Member to be delighted by the Government's attempts to make work pay. Shockingly, the number of people who have never been employed in Scotland increased from 37,000 in 2000 to 40,000 in 2005, and to 45,000 in 2010. I think that, rather than being disparaging about micro-jobs, the hon. Lady should welcome the fact that the Government are serious about showing that work pays and gives people self-respect in our society.

6.15 pm

Sheila Gilmore: I hope that those figures for Scotland are not like the figures for the whole United Kingdom, which, according to the Sunday newspaper that I read this week, included students. That was in the small print, but the fact remains that the wrong figure is constantly given.

I am not defending circumstances in which people are unable to work. However, we should examine the whole notion of the mini-job much more carefully than we have been able to do so far. We need to be clear about exactly what it will deliver. We already know that many people who have been able to start work over the past 10 or 15 years as a result of measures introduced by the previous Government, including families with children, are still living in poverty.

The mini-jobs, or micro-jobs, that we are discussing may indeed enable people to work, and being able to work for six, eight or 10 hours may be seen as some great moral advantage. I fear, however, that the jobs will be of such poor quality and so poorly paid that those people will remain in poverty, and the path out of that poverty does not appear to be very well mapped. I think that we should have given the proposal much more consideration before using it as a reason to remove child care provision from other people.

Mrs Main: The hon. Lady seems to be digging herself into a hole. She has admitted that the measures taken by the last Government did not work, and that people were left in poverty. Surely she should welcome an innovative approach from the present Government, and surely she should stop trying to filibuster their proposal into the long grass by demanding so much blessed detail that nothing will ever get done. We owe our families more than that after the Labour Government's failure to get people into work and out of poverty.

Sheila Gilmore: I cannot accept the hon. Lady's premise. People were able to work as a result of the measures introduced by the Labour Government, such as the minimum wage, but we did not manage to take all families out of poverty because of the type of jobs that many of those people were doing and the levels of income that they received. It is wrong to suggest that a system allowing people to work for fewer hours will in itself deliver them from poverty.

Sarah Newton: How on earth does the hon. Lady think someone who has not had a job can obtain a better job?

Sheila Gilmore: Of course people have to work, and of course they have to be able to work in real, proper jobs. The hon. Members for St Albans (Mrs Main) and for Truro and Falmouth (Sarah Newton) should think, at times, about the type of jobs that they are talking about, and the kind of experiences that people will have. I want to be sure that those who go into work undergo a proper job progression rather than becoming stuck in a sideline meaning that a box can be ticked because they are now working and have some work experience.

Harriett Baldwin: Does the hon. Lady not accept that that is exactly what happened when people were stuck in jobs that paid them to work for 16 hours, so that it made no sense for them to work for 15 or 17?

Sheila Gilmore: I think that it often made a lot of sense for people to work for 16 hours and more, and issues such as child care were key to that. In many cases, child care costs kick in when hours like that are involved.

We should not try to justify reductions in child care provision simply by saying that they may help another group who need a certain amount of help—and, indeed, they may not do so. We need to examine the model thoroughly, because otherwise we will not know what will happen. Depending on which version of the proposals the Government decide to adopt, help for child care for people working 16-plus hours may be cut and there may

[Sheila Gilmore]

not be a call on child care costs for people doing mini-jobs. If that is the case, money would be freed up. I am unsure as to whether there will be a call on it for the following reason.

Some mini-jobs will be at times such as 5 until 8 o'clock in the evening, and those doing them might not have another family member who can undertake child care at that time. Child care costs may therefore be incurred—although I am not sure from what source any child care might be found at such a time of day. When the hours of a mini-job fit in with nursery or school hours, however, child care costs may not be incurred. Therefore, if there is not a call on child care costs for people working fewer than 16 hours, I hope that the available money will be recycled for the people from whom it appears it is to be taken, regardless of whether we know there is a demand for it.

Charlie Elphicke: The hon. Lady speaks as though the idea that a woman looking after a child would work for fewer than 16 hours a week is novel and has never happened before. Let us consider the situation for one of the obvious age groups, however: for children aged five to six, some 61% of lone parents who are in work are in part-time work, and 65% of partnered mothers in work are in part-time work. Many of those people will be working for fewer than 16 hours as their children are so very young. Is it right not to help them with child care in those circumstances? Why does the hon. Lady want to persecute people who work fewer than 16 hours a week?

Sheila Gilmore: With all due respect, I think the boot is on the other foot. It appears that the people who are to be persecuted are those who work hours for which they require child care and who get assistance at present. Let us consider the proposals that were put before us at the briefing meetings—which I would not necessarily call fully consultative meetings. Under the proposals, it appears that people who currently get child care assistance will have that taken away, and that that will amount to a substantial loss which will lead possibly to their reducing their working hours. If they do that, their ability to move on with their work experience and their lives, and to get out of poverty, will be much reduced. I do not think positing one group against the other is helpful, therefore, and I would much rather we gave assistance wherever we can.

In Committee, Opposition Members were constantly expected to balance our suggestions against the costs that the Government have set up, but we would not start from that point. It is ludicrous to say that the Opposition have no right to make any spending suggestions as we do not support the Government's model of deficit reduction. If we put more people out of work by cutting our deficit so quickly, as this Government seem intent on doing, benefit bills will rise and tax takes will fall, and we will not resolve the deficit problems in any case. That is one of the major reasons why we have opposed this Government's stance. If we have a different view on how to tackle the deficit, the speed at which to tackle it, where to reduce spending and the impact of that, it is perfectly legitimate for us not to accept the spending envelope the Government have decided to impose.

I would hope that we would not just think about how we might take a little away from one group that happens to be a bit less poor than another group because we want to help the most needy. I noted in this afternoon's departmental questions that Ministers were quick to take up one aspect of the Leader of the Opposition's speech today: the comments he made about people on benefits. They were not so quick to mention his comments about the responsibility of those in our society who are a good deal better off, however. If we do not look at both those issues, we will be making the poor pay the cost of the economic crisis.

Charlie Elphicke: The hon. Lady speaks as though everyone is going to be terribly badly off under universal credit, but the figures in table A.2 on page 80 of the Red Book make it very clear that almost everyone is much better off, and that is especially the case in respect of part-time work. Does she not accept that that is positive, and that the Government have made sure that the transition will be managed in such a way that people will do better?

Sheila Gilmore: I shall try to unpick that question. First, it has almost been forgotten—I hope not entirely forgotten—that universal credit will be introduced after £18 billion has been cut from this country's welfare spending, so many people will already be worse off before universal credit comes into effect. Secondly, we do not know when the transitional protection we keep hearing about will end. Will it end and begin only if somebody gets into work or falls out of work, or will there be other circumstances in which that transitional protection will cease, which would mean that many people would be considerably worse off? The third reason that I have concerns about the assertion that people will be better off under universal credit is to do with all the points raised in our discussion of these amendments. Unless we are clear about issues such as the cost of child care and school meals, and how they will be accounted for under universal credit, we cannot know whether the assumptions made, the figures given and the statements made about people being better off will prove to be true.

Harriett Baldwin: The hon. Lady has repeated the much-quoted figure of £18 billion being taken out of welfare spending, but does she acknowledge that £3.75 billion of that is coming from higher rate taxpayers such as myself who receive child benefit on a four-weekly basis? Would she like me to get my child benefit back after 2013?

Sheila Gilmore: In answer to that, let me give a personal view that I would not want to attribute to all my colleagues, as I am unsure whether they would all accept it. If we feel that we can no longer pay child benefit as it was previously paid and that we must make savings, it would have been much fairer to have made that part of taxable income. For many reasons, that would have avoided some of the anomalies that the Government's proposal has set up. However, we have frequently rehearsed those reasons, so I shall not spend a lot of time talking about them now. If savings had to be made, we might have ensured that some of that money came back in the way I have suggested. I personally think that, subject to a fair taxation system, that would be a better way of dealing with this issue than having the suggested abrupt cut-off.

I want to talk about savings, and in particular the savings cap being introduced on people who work. It is astonishing that this change should be made by a Government who have so much to say about their wanting to encourage people to get back on their own feet, to be self-reliant and to save for their future. It is very easy just to say that the average amount of savings of a person of working age is only £300—and that is frightening and appalling for our society if it is true. However, for those people who currently—*[Interruption.]* I do not know what is so funny. Currently, people who have savings and receive tax credit have been able to get assistance without losing that money, but the Government's view appears to be different for those who fall on hard times, no matter what their circumstances are, and no matter what situation they find themselves in. We will, no doubt, have this debate again on Wednesday when we discuss non-contributory and contributory employment and support allowances. The Government's view seems to be that the first thing someone should call on in difficult circumstances is any savings that they have previously been able to make. There is a lot that is unacceptable about that.

6.30 pm

People may find themselves with a certain amount of capital in all sorts of circumstances. They may have gone through a recent separation and received their share of a former matrimonial home, which they may then plan to use to put a deposit down on another property so that they can buy a home and no longer be as dependent on the state as they have been previously. That opportunity is being taken away by this provision. It is not at all clear whether the Conservative party thought it was entirely unacceptable that people were able to receive tax credits and still have savings—presumably Conservative Members did think that, but I do not know whether they said so.

We have had a system, which seems to have been working well, whereby people have been able to receive assistance to enable them to stay in employment and improve their circumstances without such loss of savings which they may have worked hard to accrue. They may have been asked to take reduced working hours, as many people have in the past two or three years, and they may have experienced a pay freeze and, thus, fallen, perhaps for the first time, into the position where they become entitled to universal credit. The first thing that will happen to them is that they will be told that they are not eligible until they have reduced their savings below a certain limit. Their prospects of using those savings, perhaps towards their retirement—these people may not be young, and they may be thinking that that money will give them a more comfortable retirement or they may want to buy a house to put themselves in a better position—are being taken from them. There is no good reason for changing the tax credit arrangements, which have been working well in getting people back into employment.

Charlie Elphicke: What would the hon. Lady say to a constituent of mine who earns £15,000 a year, has no savings, works really hard and pays their taxes? How would she justify their taxes going to pay benefits to someone who has £50,000 in the bank?

Sheila Gilmore: It is important in this debate to get away from the attempt to say that one group of people are hard-working taxpayers and another group do not pay tax and should have their rights diminished. The taxpayer may also be receiving certain benefits, if we feel that it is correct for them to do so. People pay taxes in all sorts of ways. They pay council tax, VAT and often income tax at various points in their life. They may do that while they are receiving benefits or they may have done so just before a change in their circumstances took them below the threshold for paying income tax; they may have had to reduce their hours or they may have been forced to do so. These are not different groups of people.

In our approach to these issues we need to consider the following seriously: we should see our welfare state not only as something into which all of us pay when we can, but as something from which we have an opportunity to take when things happen to us. These two groups of people should not be fighting each other. Someone should not say, "I am hard working; you are not. You should not be getting, because somebody else is working." At a lot of the income levels that the hon. Gentleman mentions people probably will be entitled to benefits, be that help with their rent or council tax, or some other benefit. I ask the Government to think again about their attitude to people who are doing exactly what they have been asked to do, which is to get into employment, to work hard and to save. I ask the Government not to keep this savings provision in the Bill.

Harriett Baldwin: I welcome the opportunity to discuss the child care element of the universal credit. We did not have the chance to talk about it at length in Committee, but we all got invited to a discussion with the Secretary of State on the various different options for child care. This is an essential part of the equation that any parent considers when deciding the best way for them to approach the workplace.

I wish to talk about a slightly different approach from the one in new clause 2. I disagree with new clause 2, because I do not think that it takes the right approach, and I want to say exactly why. First, it retains the characteristic whereby someone has to work for a minimum of 16 hours to qualify for support with their child care. That fails to take into account an entire psychological barrier and frame of reference that a parent can have when they move into work. It is very hard to take the first steps into work, particularly when someone makes that choice—which, as we have heard, is optional, with smaller children. Those are large steps to take, so allowing parents to move into work by doing fewer hours—perhaps two days a week in the office or at work—is an extremely important part not only of encouraging a parent to move into the workplace, but, importantly, encouraging parents to maintain contact with the workplace when their children are small. That is a really important benefit of the approach that the Secretary of State has been discussing with us.

Bob Stewart (Beckenham) (Con): I agree with what my hon. Friend has to say, but does she think it is also very important for a mother to keep contact with her children? When a mother goes into work for three hours a day, she will know that she does not have to do more

[Bob Stewart]

than that and that she can get back to her children. I think that that is terribly important. I wonder whether my hon. Friend agrees.

Harriett Baldwin: Yes. We were reassured earlier by the Minister that any kind of sanction regime would apply only once children joined school at the age of five.

This linear move into work is an important aspect here—it is probably even more important for parents than for any other group in society—so I am pleased to see that it would be possible under the Secretary of State's proposals. I am also pleased that the £2 billion which has been mentioned will still be in place to provide support for families making that transition into work.

Ms Karen Buck (Westminster North) (Lab): The hon. Lady is making a powerful argument. Will she confirm that Labour Members are not arguing that child care assistance should not be available to people working less than 16 hours? Of course if the financial envelope is large enough it is right that that assistance should be available, for all the reasons she is outlining. What would she say to people who live in high-cost areas, such as my constituency, to parents of larger families, and to parents who have no choice but to work longer hours? Their child care is going to be reduced or lost, because their child care is going to be capped to pay for the things that she is talking about.

Harriett Baldwin: I shall deal with some of those other points in my later remarks, because they are all important subjects for debate. Indeed, the proposals in new clause 2 suggest a figure of £300 a week for this element. I was genuinely surprised that there were people who were getting as much as that. I do acknowledge the cost of child care in central London: I have paid it for many years, so I recognise what we are talking about. However, £300 a week is a lot of money—it works out as £15,600 a year. It is indeed a generous cap.

I propose that we turn the child care element on its head. The initial move in what we might call the slide into work should be reimbursed at 100%. When people make the difficult first choice to go into work, the first few hours of child care, perhaps up to the earnings disregard—I ask the Minister to ask the Department to consider some of the maths involved—should be reimbursed at 100% as they make that important transition. When they reach the level of annual earnings represented by the disregards that we are talking about, the tapering of the contribution that the person in work would make to their child care would begin.

Kate Green: The hon. Lady has obviously given this matter very careful thought, and I have great respect for the way in which she is approaching it. Does she not see a risk that the mini-job would become a trap, and it would be impossible for people to be incentivised financially to increase either their earnings or their hours of work, because they would start to lose child care support?

Harriett Baldwin: The hon. Lady underestimates the extent to which the 16-hour job has already become a trap. I think we all know people who have been trapped in one. I am proposing that when people move on to that slide and have greater support in those initial steps into work, they will become much more familiar with the world of work. When they move into taking on more hours and so on—let us not forget that once somebody has moved into the workplace they often find themselves eligible for a promotion or for the next move up the employment ladder, which might coincide with their children rising five and going to primary school—the fact that they are on more of a slide will mean that because they have extra work they will be able to share more of the cost of their child care. I would like to see some experimentation with the formula so that the child care support for the first steps into work is more generous, and the tapering begins further down the line.

Charlie Elphicke: Does my hon. Friend recall going to the seminar where we were consulted about the child care costs, and does she recall, as I do, that the idea that people lose out when they work more hours is a fiction? The Government are funding substantially more money for the system, which means that people will be far better off than under the current system even if they are working all hours, as well as benefiting when they are in 16-hour jobs.

Harriett Baldwin: My hon. Friend highlights the complexity of this area, not just because of the formulae and the mathematics but because of the financial behaviours of individuals who are making the choice between working and not working. This is an important behavioural area for people who are not in the benefits system. We all know people who have left work, had a baby and taken time out of the workplace. They make the trade-off and ask whether it makes sense for them to go back to work and pay for child care or not. That happens outside universal credit, in the world of people who are not touched by the benefit system in any way. This is a complex area.

Sarah Newton: My hon. Friend is making an excellent case. In addition to the financial considerations for women who are returning to work, there are great psychological concerns. Women ask whether the necessary quality of child care will be available, whether their family will adapt and whether they will cope with the separation from their child. Enabling people to be supported to take those first steps into work, even for a few hours, would help families overcome that barrier and, I hope, go on to increase their hours and ultimately go back into work full-time.

Harriett Baldwin: I vividly remember going back into full-time work after maternity leave—and on that first day back, frankly, one is amazed that one's child is still alive at the end of the day for which they have been left with someone else. The psychological transition is very important, and taking it in smaller incremental steps—perhaps with more generous support—is extremely important, because it builds up trust in the alternative child care while also allowing the child to get used to it in small steps. I urge the Minister to suggest that the Department consider some other iterations along those lines.

My other point concerns the review of the consultation put forward by the Secretary of State.

Sheila Gilmore *rose—*

Harriett Baldwin: I shall give way to the hon. Lady, who was so generous in giving way to me.

Sheila Gilmore: Will the hon. Lady consider whether, in this debate, we have got ourselves into the situation of being forced to contrast one group of people who are trying to work against another? Perhaps she would care to join me—I am not sure whether my Front Benchers would agree with me, and perhaps her Front Benchers would not, either—in saying that it would be better to give child care assistance to people who work all hours. Perhaps we should join forces to argue for that.

6.45 pm

Harriett Baldwin: My point is that we should try to concentrate the support that the taxpayer gives into the early hours of going back into work. I would like the taper, and what can be afforded, to be announced annually by the Chancellor at the Dispatch Box, just like the overall taper in universal credit. The country's potential to support people in those choices would go along those lines.

My second point about the alternatives to new clause 2 that the Department might consider concerns the need to recognise that the cost of child care varies greatly with the age of the child—although I acknowledge this goes somewhat against the simplicity of universal credit. Of course when children go to school the cost of child care out of hours drops dramatically from the cost of providing child care for an 18-month-old child. I suggest some form of annual review of child care support that takes into account the age of the child or children. We should also consider this in terms of the annual envelope, because that would address the issue raised by the hon. Member for Stretford and Urmston (Kate Green) about the predictable fact that holiday cover is an annual challenge for working parents, and reflect the fact that there is that fluctuation for parents of children at school.

I wanted to outline why I do not agree with new clause 2 and why I welcome the fact that the Government are having an open dialogue about the £2 billion that they are putting into child care support, and to emphasise that all families, whether they are on universal credit or not in the benefit system at all, have to make behavioural and financial choices about the world of work. I would like the support that the state gives to encourage people into work to be concentrated on those first few hours of child care.

Kate Green: I want to comment first on the proposed child care amendments. Owing to the funding envelope within which we work we face a difficult financial choice about which group of parents to assist with child care costs. I warmly welcome the implication in the comments of the hon. Member for West Worcestershire (Harriett Baldwin). Obviously, one would want to support funding for child care as far as possible, and in making an early selection about which group of parents should benefit we do not want to shut off the possibility of financial support for child care for more parents being an aspiration over time.

In saying that we wish to protect the child care support available for parents who work more than 16 hours, we are certainly not saying that we might not aspire in due course to see child care supported beyond that. The loss of financial support for child care will make working completely unviable and will be a dangerous and retrograde step that I do not believe Ministers have fully analysed.

It is important that we do not see child care provision simply as instrumentalising the return of parents to paid employment. Nowhere in the debate today have we said much about the welfare of the child. We do not know what short hours child care, if any, will be available in the child care market. It certainly seems to be a complicated and unlikely form of child care for parents to be able to access and it does not reflect the way in which child care provision is currently organised. Of course, child care providers might respond if more parents were seeking to buy shorter hours of child care, but the question that arises is whether it is a financially viable model for providers. I am not aware of Ministers investigating that, and I would feel more reassured about the validity of their proposals if they had been able to say a little more about what they meant for the market, its resilience and its potential for growth.

I would also have felt more reassured if Ministers had analysed the extent to which very short episodes of child care are or are not good for children. I genuinely do not know the answer, but I have a sense that putting a child in child care for two or three hours on two or three days a week presents an unstable stop-go approach. We certainly know that, for younger children, one-on-one care with a single main carer with whom the child can form a stable relationship is very important. Although I do not rule out the possibility that shorter episodes of child care could be good for children, I have not seen any sign that Ministers have investigated whether that is the case. It is extremely difficult for us to support a measure that has given no attention to the well-being of children.

On the proposals—or lack of proposals—in relation to free school meals, I do not blame Ministers for seeking to pass the problem to the Social Security Advisory Committee because it is an extremely difficult one to solve. The previous Government had been concerned about the cliff edge that exists as parents move off benefits and into employment and free school meals are removed wholesale. Parents have repeatedly told us as politicians that that is an incredible financial shock to low-income families as parents move into work. We have no idea what Ministers will propose in due course.

We have been struggling to find the model that will work. Models have been bandied around that could leave parents able to afford school meals on Monday, Tuesday and Wednesday, but not on Thursday or Friday, or that might mean that they can afford school meals for some children in the family, but not for others. There is a real concern that what Ministers propose will still lead us to a cliff edge.

We need to be clear about the principles that we seek to achieve. I would like absolute clarity from Ministers that when they receive the recommendations and advice of SSAC, they will ensure that support is available for all children who need free school meals; that the system that is put in place will be simple for families, simple for schools to administer and simple for the Government, too; that child health will not be compromised because children currently eligible for free school meals and therefore accessing a healthier diet are in future shut out of such provision; and that the design of the system will not create work disincentives.

[Kate Green]

I have not yet seen any evidence that all those circles can easily be squared, unless Ministers are prepared to look again at the direction of travel that the Labour Government were following, which was, over time, to move towards extending the reach of free school meals. I accept that in the present financial climate it will be difficult to get all the way there, but Ministers need to think now about how they design the cliff edges and the tapers, because that is the foundation on which a future extension of free school meals to more children would be built.

The most comprehensive option would be to include a per child school meal element in the universal credit, which crucially would be paid directly to schools to provide meals, so that parents were not—by force, in many cases—obliged to use the money to meet other bills. I would like us to consider how a model could be designed that, when funding allows, would allow the money to be paid in full until the family reached their earnings disregard level, at which stage it would be withdrawn from universal credit at the taper rate, which we would like to have been maintained at 65%. That would mean that both DWP and families were contributing to the cost of school meal expansion. Entitlement could end when universal credit payments end, preferably when the imputed value of the school meal had been fully tapered out.

Achieving that vision immediately would undoubtedly create additional cost, which I recognise that Ministers want to avoid. Nevertheless, it is important that they give us assurances that they will seek at the outset to design a system that could be developed in that direction over time and as funding allows.

Amendment 68 relates to carers. A small group of carers seems to have slipped the notice of Ministers when considering the impact of the design of universal credit, specifically in relation to earnings disregards. We know that many carers can work only a very small number of hours because they are seeking to balance paid employment with substantial caring responsibilities. We also know that those few hours of work are very precious to them. They enable them to maintain contact with the labour market, they widen their social and external circles, and they provide a bit of a respite for the carers from the stress and strain of caring.

Where those carers are in receipt of income support, they can at present earn up to £20 a week from doing a few hours of paid employment without it affecting their benefit. In their proposals for universal credit, Ministers have provided for disregards for carers in a number of situations, but there seem to be some groups who will lose the benefit of that disregard as a result of the proposals before us. For example, some carers are caring for someone who does not live in the same home as the carer. Those carers may no longer enjoy the benefit of the earnings disregard. That seems completely at odds with the aspiration that Ministers have expressed for the universal credit, which is that every additional hour of work will pay.

I hope that Ministers will give careful attention to amendment 68 and consider what can be done to ensure that all carers are incentivised to take on even a few hours of work. What assessment have Ministers made of the number of carers who are left outside the ambit of the current disregard for carers, and of the cost of extending such support to all carers?

Finally, we cannot stress often enough how important it is that we ensure that payments for children go to the main carer of the child. Ministers seem to think it is good enough that couples have the option to make that decision, but very many families will, by default, allow all payments of universal credit to go to one member of a couple in a couple household, and we know from the evidence of the way in which the pension credit has been received in couple households that that is most likely to be the man.

Charlie Elphicke: Will the hon. Lady give way?

Kate Green: I will, but the hon. Gentleman will tell me that life is different now and that families share child-caring responsibilities more equally. I am sorry to tell him that although I would love that to be the case, all the research evidence says that it still is not. This is not in any event a gender point, although it would mean more money for women, because women are the main carers of children. Therefore, if we want to ensure that money is spent on children, we need to route it to the main carers, and that primarily means that we need to route it to women in couples.

I am surprised that the Conservative party has been so reluctant to accept that. The last time we had such an attack on the principle of money being paid to mothers for the care of children, it was Conservative ladies who were the best defenders of the interests of mothers and families, and I do not think the picture has changed that much. I know that the hon. Gentleman has an idealistic and ambitious view on the issue, and it would be good to hear it.

Charlie Elphicke: I thank the hon. Lady for her generous introduction to my intervention. I take issue with her argument not in relation to who has primary responsibility for child care, but in relation to culture. In times gone by there was a much more divided culture, which is why older people see life very much in the way she puts it, but the reality is that joint working has changed that. My issue is not about economic power and management, but about sharing in the family unit as a whole, and that is backed up by the figures, which show that 76% of partnered mothers are working. Life has changed, and she should understand that the economics are much more shared these days than they used to be.

7 pm

Kate Green: I am prepared to accept that life is changing, albeit rather more slowly than the hon. Gentleman suggests, but let us not forget that the partnered mothers who work do so largely in part-time jobs and that their incomes usually make the smaller contribution to family budgets. Let us not forget the extensive evidence that continues to show that women fulfil the bulk of child care responsibilities. Let us not take the risk that by removing money from the main carers of children, whether that is the fundamental intention or not, children become the losers in the drive to achieve the glowing future that the hon. Gentleman seeks to describe. All the evidence suggests that money is most likely to be spent on children when it is paid to their main carers, so

I am concerned that that should be built into our system as a default to ensure that that is where the money goes.

Other colleagues wish to contribute to the debate and we have had a full discussion on a number of issues raised by the proposed amendments, so I do not need to go into further detail on many of those points, other than to offer my strong support for amendment 26. As we move towards this fundamental change to our social security system, which Ministers themselves have described as the most far reaching since the introduction of the welfare state after the second world war, it is absolutely imperative that, if anything, more welfare advice is available, at least during the transitional period, as my hon. Friend the Member for Aberdeen South (Dame Anne Begg) has pointed out, because it will surely be needed. Today's debate is reaffirming the fact that this will not be a simple benefit to administer in practice. If we are to maximise take-up and ensure that people receive their entitlements, which I know from our discussions in Committee is the goal of Ministers, it is vital that proper advice is in place to support people as they navigate their way through the introduction of the new system under the Bill.

Guto Bebb: It is a great privilege to be called to speak in the debate. Having been here all afternoon, I feel as though I am back in the Bill Committee. My hon. Friend the Member for Preseli Pembrokeshire (Stephen Crabb) must again send my apologies to Downing street, because I have decided not to attend a party there in order to be here this evening.

I wish to speak about four specific issues and to new clauses 3 and 4 and amendments 23, 24, 27, 28 and 29. Before doing so, it is important to set today's good and wide-ranging discussions in context. It is a privilege to follow the hon. Member for Stretford and Urmston (Kate Green), who spoke with great knowledge and understanding on these matters in Committee and in her contribution to the House today, but an important point that we must bear in mind is this: the reason we need to look at changing the current welfare system is that it has not worked.

I challenged the hon. Member for Edinburgh East (Sheila Gilmore) on the figures for the number of people in the United Kingdom who have never worked, which worsened from 2000 to 2010, and the figures I quoted for Scotland were supplied by the Office for National Statistics. The figures for the United Kingdom are absolutely deplorable. The number of people who have never worked increased from 572,000 in 2000 to 841,000 in 2010, when the previous Government left office. As a Member who represents a Welsh constituency, it is disappointing to state that the figures in Wales also show a deterioration. The context for the welfare reform package, therefore, is the fact that the current system is not working.

Sarah Newton: Does my hon. Friend share my utter frustration that over the past 10 years, under the Labour Administration, so many of the new jobs that were created in the economy went to people immigrating into this country, rather than to those who were abandoned by Labour in long-term unemployment without the skills and support to get back into work?

Guto Bebb *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I say to the hon. Lady, and remind all hon. Members, that any interventions or contributions in the Chamber are supposed to address the whole House and that she should keep an eye on the Chair. Otherwise, she will not know when I am trying to get her to sit down.

Guto Bebb: My hon. Friend makes an important point. It is something that was reflected in the comments of the hon. Member for Edinburgh East, who, in relation to the aim of our welfare proposals to support people into micro-jobs, was quite disparaging of that type of job. Indeed, she stated on more than one occasion that we should consider the "type" of job that people will be able to take up as part of our reforms. I think that that is a symptom of the problem.

In my constituency of Aberconwy we have worked extremely hard to try to turn the tourism industry from something that is seasonal to something that is year-round. We have put a lot of emphasis on trying to ensure that the seaside resort of Llandudno is no longer somewhere that attracts people only for three months in the summer. By investing in conference facilities and so forth, we have tried to ensure that the hotel and service industries supporting tourism in the town work throughout the year. We have seen a huge growth in employment in the tourism sector in Llandudno over the past 10 years, yet that growth has been filled largely by people from eastern Europe who are willing to work hard.

From my point of view, the incredible sadness is that those individuals who have gone into what some Opposition Members would call "poor jobs" have ended up working themselves into positions of responsibility and management. I despair when I go out knocking on doors during election campaigns and meet people in the town who have lived there all their lives but have not grasped those opportunities. They live in a system that has allowed Opposition Members to forget their consciences because they have been able to say that they are providing money. There is more to the welfare state than providing money: we have to provide aspiration and a concept of self-reliance. We have to send out a message not just as a Government, but as a society, that work not only has to pay, but that it is the route to better oneself and one's family. That seems to have been missing from the Opposition's contributions to the whole debate.

Finally, it is also worth making quick reference to the comments made by the hon. Member for Bridgend (Mrs Moon), who is no longer in her place. She said that she was sincerely of the view that the Department for Work and Pensions should make no effort to hassle and harass people who are unable to take up opportunities to work because of child care issues and so forth. I was intrigued by the use of the word "harass" in relation to trying to support people back into employment. One aspect of the Bill that we must understand is that it is not happening in isolation, but hand in hand with investment in the Work programme, which will try to ensure that people are not left to fester on benefits or have an existence on welfare. The Government are trying to reform the welfare state, but we are doing so in a way that tries to support people back into employment, and that aspiration should be shared by all Members of the House.

[Guto Bebb]

New clause 3 makes an important point. I disagree with it as it has been tabled, but I think that we will need to look very carefully at how we deal with free school meals in the system, because it is an issue of real concern to parents. Yes, of course they want to take the opportunity to have a job, and of course they are reassured by the fact that the reforms we are putting in place will make work pay, but as part of that, if they have three or four children, how we deal with free school meals is clearly appropriate and does not work against the proposals to ensure that work pays.

I fail to understand why the Government are being castigated for not providing enough detail in the legislation. The reason that we have not yet done so is that this is an incredibly difficult proposition to get right, as Members on both sides of the House have agreed. I see nothing wrong with saying that we will endeavour to get it right and that we are going to ask the experts to look at the issue on our behalf. I am reassured by the Minister's comments in Committee, when he stated categorically that our aim was not to make any family currently in receipt of free school meals worse off.

Ms Buck: The hon. Gentleman is arguing that the Bill will make work pay and that we should accept it without these crucial details. Does he accept that key child care charities, when making their submissions to the Government following the seminar, pointed out that 250,000 families would see their entitlements cut by £30 to £35 a week, that some would face a marginal rate of deduction of 100%, and that a lone parent on the minimum wage working for more than 24 hours a week would have a marginal rate of deduction of 94%? If we are being asked to believe that the Bill will always make work pay, we should be able to understand what its impact will be and have a chance to interrogate the Government properly.

Guto Bebb: That is an interesting contribution, but in truth I fail to see how those charities can make those calculations when we have not yet brought any proposals to the table. It is difficult to understand how those calculations were made, unless they were based on hearsay or assumptions.

Asking the experts to look at this on our behalf will enable us to introduce a set of proposals that will work. Also, hon. Members should be reassured by the fact that we will allow Parliament to look again at the proposals before they are enacted. That will allow scrutiny once they have been developed in detail. I agree with Opposition Members who have stated that the free school meals policy needs to work. Ultimately, there is no point in creating a reform to the welfare state to make work pay if it does not take into account the impact of the free school meals entitlement.

We need to be careful about new clause 4, because it fails to take into account the complexities that I have discussed with colleagues in the Department for Work and Pensions relating to the different arrangements for prescription charges in the various parts of the United Kingdom. Of course universal credit must take into account the need for some kind of support for prescription charges in England, but the situation is different in Wales and Scotland, where, for reasons best known to the Governments in Cardiff and Edinburgh, people do not need to pay for their prescriptions. I find that policy very odd. I can walk into a chemist in Llandudno and get a free prescription, whereas I would have to pay for it in London. Personally, I would be happy to pay a small contribution rather than getting support in that way.

The issue of passported benefits relating to prescriptions is an important one that needs to be looked at. We cannot end up with a system that builds compensation for prescriptions into a universal benefit for the whole United Kingdom without taking into account the complexity that I have just described. I applaud the fact that we are looking at this in detail and trying to introduce a policy that will be fair to all. I am surprised that the Opposition see the fact that we are giving these matters a great deal of care and attention as something to belittle, rather than something to celebrate.

As a Conservative Member, I would find it difficult to argue against the presumption of people saving for a rainy day. I find surprising some Opposition Members' arguments that people who fall on hard times should not use their savings. If that had always been the argument in relation to every possible hard time, there might be some merit to it. However, we heard the bizarre argument from the hon. Member for Edinburgh East against someone who had had their working hours reduced having to use their savings rather than rely on universal credit, even though I suspect that she would be willing to continue with the current situation, in which someone who becomes unemployed, which is much worse, is expected to use their savings before being able to claim anything from the state.

7.15 pm

Our proposals for universal credit are trying to be fair across the board, and I do not think that we can have a rule that someone will have to use their savings if they are unlucky enough to become unemployed, but that the state will support someone whose hours are reduced, even if they have £50,000 saved in an ISA. I cannot see the logic of that proposal. Never mind the cost of the £70 million that Opposition Members have talked about, I simply do not understand someone who becomes unemployed having to use their savings while someone whose hours have been reduced is able to call on the support of the state.

I sincerely hope that, in better times, as we see a transformation in the public finances, we will be able to increase the limits on savings. I want people to be self-reliant. I want them to save for a deposit on a house, for their children's weddings or for their retirement. We must bear in mind, however, that we need to be fair to all taxpayers. There is nothing acceptable in amendments 23 and 24. I see nothing logical in a proposal that the state should step in to support someone with £50,000 in an ISA whose working hours are reduced, yet if that same person were made unemployed they would be expected to use those savings to pay their way until the savings were exhausted. The Government's welfare reform proposals are much more logical, in that they try to ensure that people have an understanding of the importance of self-reliance.

Amendments 27, 28 and 29 deal with the situation for the self-employed. The right hon. Member for East Ham (Stephen Timms) noted from my contributions in Committee that I was supportive of small businesses,

and he was astounded to hear me supporting the Government's proposals on how universal credit will relate to the self-employed. I want to state categorically that the universal credit system must support self-employment. My constituency is highly dependent on small businesses and, indeed, micro-businesses. The definition of a micro-business is one that has between one and nine members of staff. Most small businesses in my constituency do not even have five.

I fully appreciate the importance of self-employment to the economy of Aberconwy and to Wales. I would not be standing here supporting a proposal that attacked the ability of the self-employed to benefit from the universal credit system. However, the system has to be fair and reasonable. The Department for Work and Pensions is trying to re-establish the enterprise allowance scheme, which is an indication of its commitment to encourage people to consider self-employment as a route out of worklessness. I do not for a second believe that the Government would encourage people into self-employment with one policy while penalising them for so doing with another.

I support the Department's attempts to find a way of avoiding self-employment being used as a means of claiming universal credit payments when they are not actually justified. My example, which drew a degree of scorn from the right hon. Gentleman, is not made up; it is one that I came across in my previous life before being elected as a Member of Parliament. Someone set up a small business and, in an entire year of being self-employed, managed to generate sales of less than £80. It would be completely unacceptable for someone in that situation to get universal credit payments based on their being self-employed. Most people in small businesses work extremely hard, and they would not recognise £80-worth of sales in a year as running a small business. The key issue is that the Department must recognise the hours put into small businesses by their proprietors. It would be unfair to the self-employed if we ended up saying that somebody who ticked a box on a form saying that he or she had worked a 70-hour week in their business should have that calculated on the basis of the minimum wage. Having had discussions with the Minister, I do not think that that is the intention; rather, it is to have a clear level at which the self-employed are expected to perform before they can benefit from universal credit. That is reasonable and acceptable. I encourage the Department to continue to consult the small business community, who will be able to add a lot to the debate in ensuring that we get this right. The system must support small businesses, but it is not unreasonable to expect it to do so sustainably and fairly.

As a Government, we have to think carefully about what is deemed to be the income level of the self-employed and about the potential burdens that we might place on small businesses with a reporting system that is too demanding in terms of regular responses. I think the Minister alluded to the possibility of quarterly returns, and that is not unreasonable. Many small businesses in my constituency will not thank me for saying this, but they are quite happy to deal with their VAT returns on a quarterly basis. They would love to be without that requirement, I must admit, but they deal with it on that basis and are used to doing the same with their pay-as-you-earn returns. They would not necessarily find too unreasonable the burden of having to report their earnings in relation to universal credit on a quarterly basis. We need to take that into account.

Although using net profit as a means of calculating the income of the self-employed is equivalent to how the self-employed are dealt with for tax purposes, it might not necessarily result in a fair outcome in creating a system that provides support from the taxpayer for their living needs. An annual investment allowance of £100,000 for capital allowances does not sound like a huge amount of money for large concerns, but for many small businesses it means that they could invest in one piece of capital and immediately wipe out their profit. The frustration for other taxpayers when that type of thing happens is that they see somebody running a successful small company, investing in brand-new capital and getting a 100% tax allowance in one instalment, which means that they are reporting a zero income for tax purposes. I question whether that is an appropriate basis on which to calculate universal credit entitlement, because it is a means by which the self-employed have the capacity to reduce their earnings for universal credit purposes that is not open to those who are in paid employment. I believe myself to be a champion of the self-employed, but the Department is right to think carefully about how to ensure that we have a reporting system for the self-employed that is not only fair to them and encourages self-employment but fair to the general taxpayer and to other universal credit recipients.

Many of the amendments and new clauses are interesting, but when one considers the Bill in full, it is difficult to support any of them.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I listened with interest to the hon. Member for Aberconwy (Guto Bebb), who said that this debate reminded him of the Committee stage of the Bill. I feel a bit like an intruder, because I did not serve on that Committee. I am not sure whether he meant that he was enjoying the experience or enduring it.

I want to make a few remarks about new clause 6. I am not sure whether it comes into the category of superfluous detail to which the Minister referred—or blessed detail, as one of his hon. Friends described it—or deals with something that was considered in Committee. Last week, I had a discussion with people at Rutherglen and Cambuslang housing association in my constituency, who are concerned about the payment of the housing element of universal credit and the changes that are being made to the current arrangements on direct payments. As someone who is not an expert in these matters, the new clause seems to me to draw a good balance between the desire to try to ensure that universal credit gives people responsibility for the money that they receive and protecting the interests of tenants of social landlords and the effectiveness of social landlords such as the housing association I mentioned and, I am sure, many others around the country. The new clause would allow the housing element of universal credit to be paid directly to the landlord if the person in receipt of universal credit requests it or if the tenant is in considerable arrears.

Social landlords are worried that income streams might be significantly reduced because households facing financial constraints as a result of rising food and fuel prices and other calls on their budgets which may be greater in future choose to spend the money received

[Tom Greatrex]

from universal credit on items other than rent, for which the housing component of universal credit is primarily designed.

Sarah Newton: The hon. Gentleman is making a good point. Is he assured, as I am, by what the Minister has said—that the vulnerable types of household that the hon. Gentleman is so well describing can make those payments directly to landlords at the moment, and that because the Government do not want to disadvantage anyone in the transition to universal credit, that mechanism will be allowed to continue?

Tom Greatrex: I am seeking an assurance from the Government that that system will be able to continue.

The proposed change has potential difficulties for the social landlord as well as for the tenant. On several occasions over the past year, I have heard the Government express determination to try to ensure that organisations in receipt of public money are as efficient and effective as possible. That is also important for social landlords and housing associations. If we move to a new arrangement whereby direct payment is not possible, there is a risk that they will end up spending a disproportionate amount of their time, resources and effort on attempting to get arrears from tenants instead of trying to be as effective and efficient as possible in prioritising and concentrating on improving their stock and dealing with the other issues that they face. That could constrain their ability to repay private finance that they have borrowed to finance new building. If housing associations are seen as higher risks, they may face even stricter conditions on their borrowing, which would affect their ongoing business.

There is also the question of whether tenants may resort to doorstep lenders or other loan sharks. I am sure that I am not the only Member present who has seen examples in their constituency of people being driven into that sector. I know that Members on both sides of the House have addressed that issue in debates on other measures. In seeking to ensure that people are responsible for the benefit that they receive, we must not put ourselves in a worse position by removing that direct payment.

As I said at the start of my remarks, I am new to this area of debate. I was not on the Committee and have not dealt with it in the same detail as others. However, it is important to protect a system of direct payments, particularly for social landlords. I hope that the Minister reflects on that, even if he thinks that the new clause is superfluous.

7.30 pm

Paul Uppal: I will modify my speech to highlight some of the concerns expressed by the hon. Member for Rutherglen and Hamilton West (Tom Greatrex) on new clause 6. That will be the beef of what I will say. We spoke about this issue at great length in Committee and I spoke about it personally. Like my hon. Friend the Member for Aberconwy (Guto Bebb), I feel like we are back in Committee. I assure the hon. Member for Rutherglen and Hamilton West that it was always a pleasure to sit on that Committee, and I am sure that Opposition Members will concur.

We received representations from various groups on the merits of paying housing benefit directly to landlords, principally from Citizens Advice, Crisis, the National Landlords Association, the Residential Landlords Association, Shelter and the British Property Federation. As the hon. Member for Rutherglen and Hamilton West said, and as was said in Committee, there are persuasive arguments about paying housing benefit directly to landlords. It is perhaps ironic that it was the last Labour Government who changed the system in 2008. Before that, rental payments did go directly to landlords.

As was rightly said in an earlier exchange, the Minister has highlighted that there is provision in the Bill for paying housing benefit directly:

> "We recognise that in some circumstances, direct payments to landlords may be necessary, and the Bill makes provision for that."—[*Official Report, Welfare Reform Public Bill Committee*, 5 April 2011; c. 363.]

I hope that that gives the hon. Member for Rutherglen and Hamilton West some comfort on his specific concerns. I hope the Minister will forgive me if I am pre-empting his response, but we discussed this matter at length in Committee.

I think that there is a deeper point on the issue of responsibility. The Leader of the Opposition raised this issue this morning as the cornerstone of his speech. I do not want to go over what has been said too much. The essence of my point is that it is easy to talk about responsibility, but the Government are actually delivering on it. I have my concerns about the payment of housing benefit, but having sat on the Committee, looked at the findings of the reports and considered the evidence, I have come to the conclusion that if we are sincere about the aim of this Bill of getting people off benefit and into work, the first step is not only getting people into work, but individuals taking responsibility. The concerns underlying new clause 6 are addressed by the Minister's remark that the whole essence of the Bill is to tackle the issue of responsibility.

I am sure, Madam Deputy Speaker, that you were as enthralled as I was by the exchange involving the hon. Member for Edinburgh East (Sheila Gilmore) and my hon. Friends the Members for Aberconwy, for Dover (Charlie Elphicke) and for West Worcestershire (Harriett Baldwin) about the number of people who have not worked in the past 10 years—a time of plenty compared with the situation that we face now. The point that was missed in that exchange was the pernicious nature and corrosive effect of what we have seen over the past few years; this is not just about getting people into work. We have arrived at a situation in which not only are there people who have never worked, but there are whole families who have never worked. The exchange missed that point, but it was eloquently covered by my hon. Friend the Member for Aberconwy.

Ms Buck: The hon. Gentleman is right that addressing worklessness that has crossed generations should be a concern on both sides of the House, and it is. However, does he agree that the number of people growing up in households where nobody has ever worked through two generations is 20,000 at the most, which is 0.1% of people on working-age benefits? That is far too many, but it is only 20,000 people.

Paul Uppal: I accept the hon. Lady's point, but I go back to the corrosive effect that that is having on society. There are people living cheek by jowl with the 20,000 families that she has mentioned, who are aware of the situation.

A constituent spoke to me who comes from one of the handful of families on her road who actually work. The rest of the families on her street have made a conscious life choice to live off benefits. *[Interruption.]* The hon. Member for Westminster North (Ms Buck) may nod, sigh and take a deep breath, but I am faced in my weekly surgeries by people who live in the real world—people who have to deal with the hard reality of life. My constituent had to face ridicule for going to work. That is the situation that we have.

As I have said before in this House, I have experienced poverty in my life. I have not read about it in a book or dealt with it at arm's length from behind a desk; I have seen it with my own eyes and experienced it in my family. That is why I am passionate about it and why I was proud to sit on the Committee. Too often, the issues that we talk about are detached from the reality of life. This legislation is not about appealing to red-top newspapers or making grand-standing statements, as was said in Committee, but about tackling the issue head-on. Hon. Members have talked about the number of jobs created over the past decade that were taken by foreigners who came to these shores with an ethos of working. My hon. Friend the Member for Aberconwy mentioned eastern Europeans. My family have gone through that experience. We came to this country with an ethos of working; that was our aspiration. The idea that we could claim benefits and use the system to support us was anathema to us. That idea is what this Bill tackles.

Matthew Hancock (West Suffolk) (Con): I have been listening carefully to my hon. Friend's powerful speech. Does he agree that 20,000 families who have never worked is simply 20,000 too many?

Paul Uppal: Absolutely; the intervention from the hon. Member for Westminster North was very telling. It missed the point about the message that Governments send out. Let me make it absolutely clear that I am not criticising individuals and families; it is the system that is corrosive. If the system is corrosive and, to quote my constituent, rewards idleness, what do we expect of human beings? I have faith in the British public. We have budding entrepreneurs and young people who have aspirations to achieve the best that they can. However, through unintended consequences, aspiration has been undermined, particularly over the past 10 years. I have seen that so often when I meet young people. They have a choice between work and a life on benefits. They have looked me in the eye and said that a life on benefits is not such a bad option.

Andrea Leadsom (South Northamptonshire) (Con): I recently met a lady in my constituency who is a health visitor, and she told me of a trip that she had paid to a family living in Northamptonshire. The mother had just had her fourth child, and her eldest child was 15 years old. As the health visitor left, the older daughter chased her out and said that her mother was trying to persuade her to have a baby to improve their income, but she did not have a boyfriend and did not really want one. She asked what the health visitor would advise that she do. That is symptomatic of some of the problems that we have in this country as a result of our welfare system.

Paul Uppal: I thank my hon. Friend. Sometimes we in the House have to face uncomfortable truths. We may not like them, but they are the reality that we have to face. I believe that the Bill, in its entirety, goes some way to addressing such problems. I have said before, and will say again, that it is very easy to talk the talk in opposition, but the Government are walking the walk. We are delivering something that is popular not just with Conservative voters but with Labour voters. There is consensus across the board on the issue, and it unites most voters whom I have met, whichever party they vote for. They have seen the reality of what we have done to introduce an ethos of work, aspiration and ambition.

I am glad that I am part of a Government who are taking the difficult decisions and doing the important things. This is a seminal Bill, and people will look back on it as one that changed this country for ever. I know that I may have veered away from my original comments on new clause 6, and I am sorry about that, but sometimes we have to say it as we see it. I, for one, am glad that we have introduced the Bill, and I think it will make this country a better place.

Yvonne Fovargue: I agree with one thing that the hon. Member for Wolverhampton South West (Paul Uppal) said, which was about taking responsibility. I therefore hope that he can support amendment 26, because it will mean that agencies can ensure that people know their rights and responsibilities following what has been described as the most fundamental change to the benefit system.

One of the first witnesses to appear before the Public Bill Committee said that although universal credit is a simplified benefit, the application for it will not be simple, because of all the different benefits that are rolled up together into it. I am old enough to remember when supplementary benefit changed to income support, and I saw the rise in demand for advice among people worried about what would happen to their income. For people who are on benefit, a small change in income means a lot.

That problem will be exacerbated in the current case, particularly given the fear of a civil penalty for a mistake or omission. People who go to advice bureaux do not want to know how to defraud the system; they want to know how to fill their form in correctly. An online application process will also worry people—particularly older people, but also some younger ones—who are concerned about filling a form out online and not seeing it until three, four or five days later. Support is needed to smooth the transition.

Universal credit will start in 2013—exactly the same time when the proposed changes to legal aid will remove help for the most complex welfare benefit cases. As my right hon. Friend the Member for East Ham (Stephen Timms) said, that is the perfect storm. Local authorities are examining every non-statutory service that they provide, and in some cases local advice agencies are losing funding. In fact, in a survey, 54% of local bureaux said that they were worried that they were unlikely to be around in 2013.

[Yvonne Fovargue]

Let us scotch one myth. Local bureaux and advice agencies do not get any funding from central Government. The money goes to the central Citizens Advice, which provides a vital service in support of local bureaux. It provides information, training, support and IT services. Putting more money into local bureaux would mean that more would have to be charged for those services. It would be self-defeating. Local face-to-face advice is vital, along with the advisory telephone service. Many claimants are vulnerable, and such advice, provided locally, is of particular importance to them.

Richard Graham (Gloucester) (Con): Does the hon. Lady agree that local citizens advice bureaux are probably one of the most important and good causes to whose funding local government can contribute? Will she therefore join me in applauding my city council in Gloucester for the valuable increase in funding that it has given to our local CAB, and recommend that action to other councils?

7.45 pm

Yvonne Fovargue: I will, but to say that local government is the main funder of CABs is to oversimplify the matter. I know of one bureau that had at least five different funding streams—the primary care trust, legal aid, the local authority, housing associations and a hospital. CABs rely on a mixture of funding streams, many of which are being reduced at the moment. Local authorities cannot take up all the slack, much though they should be continuing advice services.

Investing in early advice saves money. Avoiding costly tribunals and appeals is vital, and people who do not have access to advice are more likely to pursue their case to the appeal stage, costing them money and stress. Public confidence in any new system is vital. Advice on welfare benefits is crucial, and I urge the Government to accept amendment 26.

Mr Nigel Dodds (Belfast North) (DUP): The hon. Lady is making a powerful point. The CAB in my constituency—in the Rathcoole area, which is very needy—does excellent work along the lines that she has described. Does she agree that whatever one's views about the other amendments or the Bill, everybody should support amendment 26? Clear advice to constituents and clients is what it is all about, whatever one's views.

Yvonne Fovargue: I thank the right hon. Gentleman, and I agree totally. The amendment would simply give people the opportunity to receive advice about their rights and responsibilities. That is crucial at any stage, but particularly when a new welfare benefit system is brought in. I urge all Members to support the amendment.

Charlie Elphicke: I rise to speak against new clause 2. One of the major achievements of the reform of introducing universal credit is enabling people to have greater flexibility in taking on part-time jobs—so-called mini-jobs. I have made the point several times in interventions that it is critical that we enable people with child care responsibilities to have the maximum flexibility in how they organise their child care and for how long they wish to work, so that they are reintroduced to the world of work.

I praise the Government particularly for making the effort to consult all parties in their recent seminar. It was not just members of the Public Bill Committee who were there, but members of the Work and Pensions Committee. Such engagement is important, because it enables us to get everything right. The Government have introduced a Bill that is a bookcase into which the books will later be slotted, and they are making an effort to ensure that the books read well and effectively.

One of the most telling parts of the briefing that we were given in the seminar was about what parents had told the DWP that they wanted. It informs the decision on whether new clause 2 is right. The DWP publication—"briefing" is probably a better description—is entitled "Childcare support in Universal Credit" and dated May 2011. It states:

> "Recent findings from a survey of lone parents on Income support and with a child aged 5-6 found a strong preference for working part-time."

Among those looking for work or expecting to do so in future, the majority stated a preference for 16 to 29 hours' work a week, with 45% giving a preference of exactly 16 hours. Why exactly 16 hours? It has been drummed into everyone that they have to go out and work for 16 hours, not a moment less, or they will not get any help with child care. Subsection (5) of new clause 2 makes it clear that the Opposition want that prescribed minimum number of hours a week to remain. In other words, they do not want the mini-job, and yet we know that lone parents show a strong preference for working part-time, which should be respected. People are not here to dance to the Government's tune: Governments should dance to the tune of the people, and be as flexible, helpful and enabling as people wish.

Ms Buck: While the hon. Gentleman is on the subject of the survey of parents' opinions, does he know how many of the 250,000 parents who are expected to lose between £30 and £35 a week under both options in the Government's proposals said that they wanted less support with their child care?

Charlie Elphicke: I have not conducted a detailed survey on that. I am also unsure what the 400,000 or 430,000 who will win approximately £50 say. There will always be winners and losers, but what I like about this policy programme is that there are almost twice as many winners as losers, and they will win an awful lot more money, which helps the transition to the policy.

Let me return to the evidence of parents. The Government document states:

> "Many out of work mothers, both lone and partnered, are looking for jobs that will fit in with their children's schooling—i.e. jobs that are part-time and preferably within school hours."

That is obvious and self-evident—any parent knows that—but it is important to have survey evidence so that the argument has an element of objectivity. The document goes on to say that out-of-work mothers

> "tend to look for work that is local and flexible, so that they can be available if, for example, their child is taken ill."

All of us parents have been there—have we not?—when our children get sick and we send them off in the morning, tying their scarves up tight and hoping that no one notices. When they do notice, we get a call. I have had to make that run—even though, as I am told, as a man I have no rights in respect of child care

responsibilities. Some of us in the younger generation are new men, although I hesitate to apply that description to myself.

The document also states that those factors—locality and flexibility—

"are often seen as being more important than the type of job they move into."

It is all about flexibility, which we need. All of us parents have been there and understand that. Child care is quite often a nightmare, and always a juggle. Half the time parents are terrified that they will get a call just when they have an important meeting to go to.

The document also states:

"A study of lone parents who had recently moved into work had overwhelmingly chosen jobs where their hours fitted with looking after their children. It was common for interviewees to be working between 16 and 29 hours per week."

Again, there was almost certainly not the flexibility to have a mini-job. Mini-jobs are important in enabling such flexibility. It is not right for parents, particularly parents of little children, to be forced into endless hours of work, or to work for more than 16 hours. New clause 2(5) is therefore extraordinarily unhelpful, and a retrograde step.

On parental employment, what happens when children are five and six is telling. This is about the youngest tots. When children are that age, parents are just going out into work, having previously perhaps been full-time parents. Employment of lone parents of children that age is about 55%, but the employment of partnered mothers is 75%, which is the parental employment rate. We can see, therefore, that there has been a massive societal shift into joint working among couples. There has been a move away from the traditional old-style model, whereby the bloke goes off to work and the woman stays at home to mind the kid and the kitchen sink, to more economic sharing and greater equality, which is a positive thing.

Richard Graham: My hon. Friend is developing a powerful case for greater flexibility, which is precisely what the Bill proposes, and which the new clause would not reflect. Does he agree that there is perhaps not enough understanding in the wider world of the flexibilities in the Bill that will help single mothers to take jobs on a flexible basis?

Charlie Elphicke: My hon. Friend makes an extraordinarily powerful point. Part of the reason for that is that a lot of scaremongering is going on. The scaremongers deny that the Bill provides that flexibility and say that people will lose out, but we know, from the detailed figures in the Budget and the briefing document to which I have referred, that most people will be far better off under the reforms, that they will have more money, and that work will always pay.

Ms Buck: On the subject of scaremongering, is the hon. Gentleman aware that in their letter to the Secretary of State on this issue, the organisations that could fairly be said to have a good grasp of the issue—from the Daycare Trust to Gingerbread, Family Action, the Child Poverty Action Group, Working Families, the Children's Society, Save the Children and the Resolution Foundation—said that they were concerned that the proposals could effectively end the prospect of full-time work for single parents and second earners, and for couples on low and middle incomes who need support with child care costs, and that that will have the result of hampering their ability to find work, and making it more difficult for them to lift their families out of poverty?

The hon. Member for Dover (Charlie Elphicke) supports the flexibility for people to work fewer hours—in principle, we all agree with that—but he wants to restrict the flexibility for people who want and need to work longer hours.

Charlie Elphicke: I do not make my money out of campaigning, and I never have. Anyone who has done that will know that maximum fear is the way to get the most subscriptions, the largest membership and the highest amount in grants. I make my money out of my only job, which is serving my 71,000 or so constituents and trying to do what is best.

Perhaps I am old-fashioned, but I occasionally open the Budget Red Book and look at the detailed figures. Table A2 on page 80 makes it clear that a lone parent with one child working 35 hours a week would have £105 without universal credit, and more or less the same with it. However, when parents work 10 hours, things change. A lone parent working 10 hours rises receives £20 without universal credit, and £53 with it. If we move to universal credit, those people will end up, broadly, with more money. That mini-job is massively incentivised by universal credit, which makes part-time working much easier.

Why does part-time working matter, and why should we give greater incentives for it? To answer that, we must look at the proportion of parents with child care responsibilities who are in work. Some 61% of lone parents who have children aged between five and six, who would find things difficult under new clause 2(5), work part-time, as do 64% of partnered mothers of children of that age: 64% of all mothers work part-time. The statistics are pretty clear that we have had a joint working revolution: there is much more sharing of economic power in couples, and more pooling of income. To a great extent, universal credit recognises that in the system.

There has also been a revolution involving women in the workplace. Often they work part-time, because even now there is a bias towards women having primary responsibility for child care. Finances might be shared, but the responsibility for child care tends to fall to women. That is what comes out pretty clearly from the figures. For that reason, we should allow women maximum flexibility. Why have a 16-hour cut-off, as new clause 2(5) proposes? I, for one, cannot agree with that. It is not the right way to go; it is a retrograde step.

Sarah Newton: My hon. Friend makes an extremely good case. Does he agree that the letter referred to by the hon. Member for Westminster North (Ms Buck) was a response to a consultation, the whole point of which was to receive critical feedback to help the Government to develop appropriate policy?

Charlie Elphicke: I completely agree. That is the whole idea of consultations. The Government have reached out to all those groups. I am disappointed that the Opposition have used this opportunity just to throw

[Charlie Elphicke]

rocks, when the Government have reached out to all parties in the House in designing the fine detail of the Bill, and truly sought to engage.

8 pm

Richard Graham: It seems extraordinary that the hon. Member for Westminster North (Ms Buck), with whom I sat on the Work and Pensions Committee, does not recall the stream of anecdotal evidence from our constituents about how many women are at home on benefits because they have worked out that under the current system it is impossible to take a job and be better off. The whole concept of work paying, which drives this Bill, must surely unite Members on both sides of the House.

Charlie Elphicke: I would hope so. New clause 2(1) mentions

"a childcare element for claimants who are in work, except in prescribed circumstances."

One of the problems with the current system is that 52,000 families already in receipt of tax credits are entitled to, but did not claim, the child care element in 2008-09, whereas 55,000 families were entitled to the child care element but did not claim tax credits in the same period. We need to ensure that real help is available for children. Universal credit will ensure that we do not have thousands of families who do not receive their full entitlement. That is a really important aspect of the Bill.

I am not sure that new clause 2 is the right way forward. I am concerned that it would cost the vast extra sum of £400 million in Government spending. It would be expensive, but retrograde, and it would make life harder for those who want to be in part-time work.

My other concern about the new clause is that the maximum award for the child care element is far higher than was set out in the consultation document. I can only assume that in drafting it the Opposition thought, "What high figure can we come up with that will be a substantial number so we can appear to our constituents to be much more generous in spending other people's money?" That is not a sensible approach. The right approach is to have the consultation that the Government are having so that the book, when it is written, is slotted into the bookcase and is as effective as possible.

The Government have made a real effort to make strides on this issue and they have come up with a really great plan. They have also gone to considerable lengths to put up various options for discussion. Nowhere in new clause 2 does it canvass the possibility of a different rate for children under five, although the Government have canvassed that possibility. Nowhere does the new clause mention the differences between what people would get with 70% child care costs and with 80% child care costs: it just assumes that the figure should be 80% or 90%—figures that, on the face of it, appear to have been plucked out of the air. Nowhere does the new clause discuss the working of the hours rules, which would create great problems especially for lone parents and the parents of the youngest children who are just starting to find their way back into work. We must support them in going back into the workplace. That is the sort of discussion that we should be having, and I would hope that the Opposition would work positively with the Government to try to achieve a system that works for everyone.

These reforms are important because we need to reduce child poverty. In recent years, the figures have not been pointing in the right direction, if one includes after-housing costs. I will be challenged and told that that is the wrong figure to use and that I should use before-housing costs, but as I said in Committee people have to live somewhere. We cannot expect them to live in a garden shed or on a remote Hebridean island at very low expense where perhaps they could find shelter and the odd sheep. Indeed, the hon. Member for Stretford and Urmston (Kate Green), who is no longer in her place, nodded in Committee when I said that this was the right measure.

In 2004-05, some 3.6 million children were below the 60% median for after-housing costs and now it is 3.8 million. I regard that figure as worrying in terms of the mischief that the universal credit and new clause 2 are aimed at combating. The Government's plans would substantially reduce child poverty. New clause 2 and the Government's plans are presumably aimed in the same direction, but the latter would reduce child poverty by at least 50,000 in 2011-12. I see that as a positive move. I asked the Secretary of State today about the effect of universal credit on poverty and he said that 90,000 fewer people would be in poverty. That is the right direction.

The Opposition have tabled amendments 23 and 24, which propose that the prescribed maximum should be £50,000. In other words, if someone has £50,000 in the bank but their earnings are very low, they will be able to claim under universal credit. Earlier, I put an example to the hon. Member for Edinburgh East (Sheila Gilmore). If a person earns £50,000, has no savings—probably a young person—and pays tax, they will be subsidising an older person on lower earnings but with £50,000 in the bank. If we asked people in the street whether that was really justifiable, they would say no. The reason we save is to have a rainy day fund. The whole idea of such a fund is that when it rains, we should spend it—because we believe in taking responsibility for ourselves.

Today, the Leader of the Opposition gave a little speech about responsibility. He said:

"Labour—a party founded by hard working people for hard working people—was seen, however unfairly, as the party of those ripping off our society. My party must change."

But I looked at the amendments and saw that Labour wants to give benefits to people who have £50,000 in the bank. Are we being ripped off? Is that a party that believes that hard work brings rewards and that believes in responsibility, in a messianic conversion, or is it a party that simply wants to hand out other people's money like confetti?

I read on in the speech and I realised that the amendments had been tabled for the sake of a sound bite. The Leader of the Opposition said:

"Just take their current welfare reform bill.

It punishes people in work who save, denying them the help they currently get through tax credits."

Well, there is saving and there is saving, and if we polled people I am sure that we would find conclusively that someone with £50,000 in the bank should not get any out-of-work benefits. They should take responsibility and seek to get back into work as quickly as possible.

Paul Uppal: As usual, my hon. Friend is making an excellent speech. Does he not highlight the fact that this is a moment for the Opposition to decide on which side of the fence they stand? They talk about reform, but it will be interesting to note how they vote today and on Wednesday.

Charlie Elphicke: I agree. In fact, let me use the words of the Leader of the Opposition, who said:

"Finally we will never encourage a sense of responsibility if society is becoming more and more unfair, and more and more divided."

We know that Labour divided our country more between the rich and the poor when it was in office, and we know that giving people who have £50,000 in the bank out-of-work benefits would be deeply unfair to the ordinary working person in the street.

Sheila Gilmore: I apologise for missing so much of the hon. Gentleman's speech. I am sure I would have been greatly entertained. However, I was not aware that the amendment before the House would give out-of-work benefits to people with savings. This is about people who are working and trying to get themselves back on their feet, which he said he wanted.

Charlie Elphicke: If we asked the person in the street, "Do you think that benefits, even universal credit benefits, should be paid to someone who has got £50,000 in the bank?", they would give us a pretty robust response. I represent a constituency with a lot of deprivation. Average earnings are about £20,000 a year—£50,000 is a king's ransom to the people whom I serve. Most people could never dream of having so much money in cash. They might have it locked up in their house, but they could never dream of having that kind of money in ready cash. It would be an astonishing position to be in. If I went down Dover high street and said, "Do you think that people should get universal credit if they have £50,000 in the bank?", the response would be demonstrative, pretty conclusive and probably pretty rude—it would be expletive-laden.

In my constituency, when I knock on a door, like my hon. Friend the Member for Wolverhampton South West (Paul Uppal), and say, "What are your concerns?", after expressing vehement concerns about the number of overseas visitors, 1 million of whom have taken jobs in recent years, and about the 5 million people who could work but do not, people move on and say, "And that person down the street has a plasma TV and so on, and they have not worked a day in their lives." We have discussed this important and serious issue. We need to encourage people to take responsibility and to work, and not encourage them through amendments such as amendments 23 and 24, which would allow people to claim benefits despite having £50,000 in the bank.

This whole strand of thinking is symptomatic of a way of thinking that has caused the number of working-age people in relative poverty, after housing costs, to rise from 6.5 million in 2001-02 to 7.9 million in 2009-10. That is a staggering rise. We have to bear it in mind that in those years this country enjoyed the most massive boom, yet a whole load of our countrymen slipped further into relative poverty. It is not just a question of intergenerational poverty or of households that have not worked for ever and ever; it is a question of going into relative poverty. The message sent by amendments 23 and 24 is not one of responsibility. It is not a message that says, "Look, we are on your side. You're hard-working. We will support you." The message sent by the philosophy of universal credit is one of responsibility: "If you work hard, you will be better off, and you will not be subjected to the dependency culture." That has to be one of the most important and essential messages that the Government can send, and it is why the Bill will, in my view, be the most important Bill in this Parliament.

I hope that the House will indulge me on one more amendment—amendment 33, which deals with pensions. If a man aged 66 is married to a woman aged 45, how can it be fine for that woman not to be incentivised to work? I am deeply troubled by this. I put this issue to the right hon. Member for East Ham, and the Minister asked him whether he supported the principle, and thrice the cock crowed, yet he would not deny it—or, indeed, not deny it. It was wrong to table an amendment defending that principle, and to say, when an argument was made saying, "How can it be right?", "Ah well, isn't it bad of the Government to sneak it into a schedule."

The House deserves a better argument than that for why previously people were not incentivised to work, and why the Government are wrong to take action on it. The Government are right to take action, and they are right to send the message that work should always pay, and that, if someone is of working age, they really should work. We have a massive mountain to climb: there are 5 million people in this country who could work but do not, who have been encouraged to live in a dependency culture, and who would be worse off if they went into work. There is much evidence that that sucked in 1 million people from abroad and overseas to fill the 1 million or so jobs created during the recent boom, while we cast 5 million people on to the slagheap of welfare dependency.

8.15 pm

I suspect strongly that encouraging the 5 million people who could work but do not, and making work pay for them, will solve the problem of people being sucked into the UK from overseas. The problem might well solve itself, however, through a demand for employment from our countrymen. When that day comes, and if universal credit achieves it, it will be a great day for this country. It is fundamentally wrong that we should sell the pass on the hopes and aspirations of millions of people in this country who could be working, achieving and fulfilling their potential, but who for too many years have been thrown on the slagheap of hopelessness, dependency and failure. I am a Tory because I like people to succeed; I like people to do well; I want people to make money; I want them to be rich; I want them to be captains of industry; and I want the economy to grow even quicker, and I think that universal credit is the way to help more people to achieve and succeed in their hopes and aspirations, to get into work and to do really well.

Stephen Timms: We have had an interesting debate, and I welcome the Minister's concession on the affirmative procedure for the initial version of some of the key regulations that will be introduced under the Bill. I would have liked him to go further, but I welcome the

[Stephen Timms]

extent to which he has changed the Government's position and welcome the amendments he has tabled to effect that change.

Unfortunately, the Minister gave us nothing else that I can welcome. It is an extraordinary failure on the part of Ministers that we do not yet have Government proposals on child care, free school meals or concessions on prescriptions. The Minister said that it did not matter, because there were still two and a half years to go before universal credit was introduced, but actually it is only two and a quarter years now—it was two and a half years three months ago, but they failed to come up with their policy proposals and three months have passed. It is not simply an academic issue, because even if all the policies had been clear two and a half years in advance, it would have been a stretch to get the IT in place by October 2013. As it is, the Government have not decided on those key parts of the policy, and I suggest that there is now no chance that it will be ready. However, that is a discussion for another day.

The hon. Member for Dover (Charlie Elphicke) accused the children's charities of throwing rocks at the Government. It is out of order to make that criticism of Barnardo's, Citizens Advice and the Children's Society. Let me quote their letter:

"We welcome the removal of the hours rule"—

they welcome the provision that the hon. Gentleman supports—

"but the evidence shows it is not possible to do this. . . within the current budget without a significant negative impact on work incentives for those working longer hours."

That is not throwing rocks but simply setting out obvious home truths, of which the Government need to take account.

Charlie Elphicke: Will the right hon. Gentleman give way?

Stephen Timms: No, I will not. Our position is that the Government need to listen to what people are saying to them and that new clause 2 provides protection. We do not want the work incentives worsened in the way in which charities point out.

It sounds as though the Government have abandoned the idea of a payslip for every universal credit instalment. I am disappointed—that was a good idea. Sadly, the Minister reaffirmed the Bill's extraordinary penalties on saving. He gave no firm assurances on self-employment income, even though the hon. Member for Aberconwy (Guto Bebb) recognised the importance of that. The Minister appeared to acknowledge that there was a problem, which, I suppose is progress from his previous position.

The Minister gave us no assurances on adequate welfare advice. My hon. Friend the Member for Makerfield (Yvonne Fovargue) made a telling case about that. Many will be dismayed by his dismissal of the case for retaining support for disabled children. There is genuine worry about the impact of his refusal to ensure that benefit for children is paid to their main carer.

I wish to divide the House on new clause 2 on child care, on amendment 23 on the saving cap and amendment 27 on support for self-employed people in universal credit.

Question put, That the clause be read a Second time.

The House divided: Ayes 215, Noes 293.

Division No. 288] **[8.20 pm**

AYES

Abrahams, Debbie
Alexander, rh Mr Douglas
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona

Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Gregg McClymont and Lilian Greenwood

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Coffey, Dr Thérèse
Collins, Damian
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollobone, Mr Philip
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark

Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Parish, Neil
Patel, Priti
Penning, Mike
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Bill Wiggin

Question accordingly negatived.

Clause 5

FINANCIAL CONDITIONS

Amendment proposed: 23, page 3, line 7, after 'it', insert

'excluding any amount in an Individual Savings Account, up to a prescribed maximum of no less than £50,000, where the claimant is in work'.—*(Stephen Timms.)*

Question put, That the amendment be made.

The House divided: Ayes 217, Noes 299.

Division No. 289] **[8.36 pm**

AYES

Abrahams, Debbie
Alexander, rh Mr Douglas
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCrea, Dr William

McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Gregg McClymont and Angela Smith

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Coffey, Dr Thérèse
Collins, Damian
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollobone, Mr Philip
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny

Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Penning, Mike
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Bill Wiggin and
Mark Hunter

Question accordingly negatived.

Clause 11

HOUSING COSTS

Ms Buck: I beg to move amendment 31, page 5, line 29, at end add—

'(6) Regulations are to provide for the Secretary of State for Work and Pensions and the Secretary of State for Communities and Local Government to review not less than annually the relationship between housing costs in the private rented sector and the level of the housing component of Universal Credit.

(7) Regulations are to provide that the Secretary of State for Work and Pensions must amend the calculation of housing costs where this is necessary to ensure that at least the 30th percentile of the list of private rented properties in each locality remains affordable to claimants, in light of the review under subsection (6).'.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following: Amendment 32, in clause 68, page 52, line 19, at end add—

'(4) After subsection (7) insert—

"(7A) In relation to a dwelling of which the landlord is a local housing authority or a registered provider of social housing, regulations under this section shall not permit the AMHB to be less than the actual amount of the liability in a case where a person has provided the relevant authority with such certificates, documents, information or evidence as are sufficient to satisfy the authority that the person is disabled and is living in a property specially adapted or particularly suited to meet the needs of that person.".

Amendment 72, page 52, line 19, at end insert—

'(4) The Secretary of State must lay before Parliament a report on the impact of subsection (3) within 12 months of the coming into force of that subsection.'.

Ms Buck: These amendments draw out two strands from the wide-ranging set of debates that we had in Committee on the treatment of housing costs before and going into the universal credit. In today's DWP questions, the Secretary of State, who is in his place, told my right hon. Friend the shadow Secretary of State that I wanted to spend more on housing benefit whereas the shadow Secretary of State wanted to spend less. I want to put it clearly on the record that nothing could be further from the truth. I do not want housing benefit expenditure to rise and never have done. Nothing would give me more pleasure than seeing lower unemployment, rising incomes and low rents in both the private and social sectors that bring down the total housing benefit bill. I believe that Governments of both persuasions have been in error over the past 30-plus years in letting housing benefit take the strain of rising housing costs, especially given the deregulation of the private rented sector in the late 1980s, rather than investing in affordable housing supply over those three decades in a way that would have helped significantly in bringing down that total cost.

What I do not want to see, and what I fear may arise from the Government's policy, is a set of arbitrary and ill-thought-out cuts to housing benefit and, indeed, local housing allowance that create homelessness and distress for vulnerable people and cause damage to the 400,000-plus working households in private rented accommodation whose housing support is going to be cut. It is worth noting that the homelessness statistics that the Department for Communities and Local Government produced on its website last week send out a warning message. For the first time in years there has been a significant increase in the number of households declaring themselves as homeless. There was a rise of 23% in the number of people approaching local councils for housing help—26,400 people approached their local authority for help in the first three months of 2011, and 11,350 applicants were accepted as being owed a main homelessness duty in the first quarter to March 2011, which is an increase of 18% on the figure for the same quarter last year and the first rise for seven years.

Sarah Newton: Surely the hon. Lady is going to acknowledge that all this is because of a very important step that this new Government have taken. We are honestly collecting the data on the number of homeless people. It was shameful that under the previous Government the whole system of counting homeless people was so rigged. It is no wonder we have seen this rapid rise, because we now have an honest appraisal of the situation and we can start to tackle the appalling legacy that we have inherited.

Ms Buck: I will be very interested to see the evidence for the hon. Lady's assertion. Although I know that our two parties have differed in the past on their interpretation of "rough sleeping"—on street homelessness—and that there is a genuine debate to be had about how that is measured, I was not aware, and I stand to be corrected, that there has been a shift in the data set for the measurement of the number of people approaching local authorities as homeless and being accepted as such. Nothing on the DCLG website indicates that, so I dispute her definition and it seems to me that we are facing a genuine problem.

Even more worryingly, rent arrears and mortgage default were to blame for a growing share of the number of people who were approaching local authorities as homeless; although not the main cause, that is a growing cause of those applications. It gives me no satisfaction to see that; I do not want people to be made homeless. As we discussed in Committee, homelessness is one of the greatest traumas that any household can possibly face. The hon. Member for Truro and Falmouth (Sarah Newton) and other Government Members must face up to the fact that the statistics show a growing trend just as the cuts in housing benefit begin to be flagged up and as people react to the changes in the incoming benefits.

The second set of data to come out in the past week of which we need to be cognisant was a survey released on Friday by the National Landlords Association. It found that 58% of all private residential landlords plan to reduce the number of properties they let to tenants on local housing allowance. Some 80% of landlords expressed concern about the reduction in local housing allowance rates from the average market rents of the bottom 30% and the same number were worried, as I shall discuss in the context of the relevant amendment, about the future local housing allowance increases being linked to the consumer prices index rather than true market rents. The survey also found that 90% of landlords stated they cannot afford to reduce their rents to absorb changes to the local housing allowance as the large majority are faced with mortgage repayments and rising running costs.

The worrying picture is that our discussions are put in context by the cuts in housing benefit that have already been through the House and were opposed by the Opposition, which are feeding through into the concerns of landlords. One point of concern is that when the Government assert that 30% of properties will remain available to tenants on local housing allowance, they ignore the fact that not all the properties in that threshold will be available to tenants because it will not necessarily be the landlords within that cohort who are prepared to let in the first place.

We will have to wait and see, but it is entirely reasonable for alarm bells to ring on the impact on homelessness when we look at those two sets of statistics. If we find either that households are in an affordability crisis or that landlords simply pull out of the housing benefit sector, particularly in those areas where the demand for private rented accommodation is greatest—that is, London, the south-east and some of our cities—we will have a severe problem and many the assumptions being made by the Government about savings are unlikely to be realised. Homelessness is an expensive process and places considerable pressure on local government.

Glenda Jackson (Hampstead and Kilburn) (Lab): Is there not a third warning bell, also, in the evidence that is being produced almost weekly that the inability of first-time buyers to obtain a reasonable mortgage means that they are forgoing the possibility of ever becoming homeowners and are renting? That is increasing not only in cities but across the country, apparently.

Ms Buck: My hon. Friend is absolutely right. Without any question, we are seeing a growth in the private rented sector for all those reasons, including the affordability crisis and the lending pressures in the home ownership sector. That means that the private rented sector, which we all applaud and support—we want a healthy private rented sector—can draw from an increased pool of potential tenants who are not on housing allowance. There will be competition for those properties between tenants who do not require housing allowance and those who do and are on the transitional protection path through the caps and reductions in the 30th percentile on which we have already agreed—I shall turn in a second to the further ratcheting down that is intrinsic to the future use of the consumer prices index rather than a local housing allowance determination—and that pressure will mean that a larger pool of people are frozen out of such accommodation.

9 pm

As we have frequently said, that will not affect every area of the country evenly. There are areas, as we know, where 80% of all private rented accommodation is underpinned by a local housing allowance, but almost all the authorities in that situation are in the north of England, in relatively low-cost areas, in places such as Blackpool. Fine-tuning local housing allowance levels potentially has a market lever effect, as Ministers have argued. Of course, the difference between a local housing allowance and actual rents is relatively small, so the cash saving in such situations is not likely to be great.

However, in areas where the share of the private rented sector that is made up of housing allowance claimants is small—the case in London and the south-east, for example—that market pressure will not have the same impact. In most cases, it is unlikely to have any meaningful impact at all in bringing down rents. That is when a very difficult situation is likely to arise, with the potential for increased homelessness and increased costs.

We discussed all these issues at length in Committee. Amendment 31 would create a statutory requirement for annual reviews to be conducted to assess how far housing support payments are keeping track of rents in the private rented sector in the future, to ensure that adjustment is made accordingly. There is deep concern in the housing sector that uprating future local housing allowance by the CPI will break the link with actual

rent costs, a long-standing link which has ensured that a reasonable supply of private rented accommodation is available to low-income households. We know that although the cost of rent is included in the CPI, it accounts for only 5.4% of the basket of goods used to measure inflation, and that historically CPI has not increased at the same rate as average rents.

Between 1997-98 and 2007-08, average rents increased by 70%, whereas over the same period the CPI increased by only 20%. The Government's own impact assessment indicates that the pattern is expected to continue into the future, with CPI expected to rise by around 2% and rental costs by 4%. What that means, and the reason that the housing sector is so concerned about it, is that it is a relatively fast process for large areas of the country to become completely unaffordable to tenants on housing benefit.

Cambridge university research that was commissioned by Shelter takes a longer perspective and is particularly dramatic over a period of 10 or 15 years, but even over the course of the current spending review, it is marked how large parts of London and the south-east in particular, but also Cambridge, Oxford, Manchester and other cities, become unaffordable to people on local housing allowance. Why does that matter? One reason is the proportion of people on local housing allowance who are in work. The Opposition keep stressing that, and I worry that we do not get enough recognition from Ministers of this point. During the recession years, an increasing number of those people turned to the local housing allowance to keep a roof over their head while they were in work and while their wages were frozen or perhaps their hours were cut. The local housing allowance fulfilled its function extremely well as an in-work benefit.

The one thing that we do not want to do, which I am sure the Government do not want to do either, is to create a crisis of affordability when someone hits hard times—if their income dips or is frozen, or even if they have a temporary period of unemployment—that tips them into homelessness, which is expensive and catastrophic, while we push a larger and larger proportion of them further and further away from the labour market.

The disparity is at its most striking between the north and the south, but it can even be within cities such as London and Manchester. The affordability of private rented accommodation can take people so far out that, once they factor in travel costs, they are simply unable to work, particularly given the Government's belief in the mini-job as the means of bringing people out of unemployment, which we have just heard expressed passionately from their Front Bench. People will be unable to take up mini-jobs of 10 or 12 hours a week because as their homes become increasingly unaffordable, their travel costs will make it impossible to take a job and they will be pushed further from the labour market. Somewhere along the line, we have to find a way of squaring that circle.

We all agree about the importance of the private rented sector in our menu of housing options, but it should be a way of cushioning the impact of unemployment or a drop in wages, and, in parallel, be a means of ensuring that we do not return to the nightmare years of the early 1990s, when the level of homelessness went through the roof. The soaring level of homelessness in those years resulted in the large-scale placement by London local authorities of their homeless households from central London to Birmingham, Coventry and Liverpool, an experience from which many of those households did not recover.

Mr Aidan Burley (Cannock Chase) (Con): I am following the hon. Lady's arguments closely. I represent a Birmingham constituency where the average salary of a working family in the private sector is £22,450 a year. Even under the Government's reforms, such a family could still claim £26,000 a year in benefits, which is more than they would receive by going out and working in a proper job. Does she accept that there is a problem that people in low-paid jobs who want to work see other people getting more and having a better quality of life by choosing not to work and to live on benefits?

Ms Buck: The hon. Gentleman makes an interesting point but is mixing lots of different arguments, if he does not mind my saying so. The whole point of local housing allowance, as I was obviously explaining imperfectly, is that it is an in-work benefit. If a household's income dips and they are in the private rented sector, they are entitled to the allowance, so we cannot compare an out-of-work household and an in-work household in the way he is trying to do. It is intended as a cushion for that household. Similarly—I know that you, Mr Deputy Speaker, would not wish me to be diverted—the overall benefit cap needs to be considered, among other things, in terms of an equivalent household size, and we will no doubt return to that debate because it is much less clear whether the Government's core argument holds any water at all.

The argument about whether the maximum percentile that a household can claim in the private rented sector should be 50% or 30% of the local market has been and gone, so let us not return to it. All the amendment is arguing is that we must have a statutory mechanism for review to make absolutely sure that, as the CPI uprating bites further into the private rented sector, which it will, 30% of all private rented accommodation in a broad market rental area remains available. That is the Government's commitment, and without such a mechanism that accommodation simply will not remain available.

We have to be very careful about monitoring that. The rate is to come down from 50% to 30%, but even 30% might not be achieved, because the CPI will further undermine what is available in the sector and landlords will withdraw from it because of the insecurity of the income stream; we are already seeing significant warnings of that. Property will not only be unavailable at 30%, but sometimes it will not be available at all. The projections for 2016 show that in parts of London it will go down to 19% or 16%, and in my borough it could go down to almost nothing—but let us not worry too much about that now. The anxiety is that we must ensure that at least that 30% remains available to people in the private rented sector, because if it does not, when they lose their income or their job they will be cast away from the labour market, from the work they were doing and, on top of that, from the networks of family, friends and connections that the Secretary of State, with great passion—I am absolutely convinced of his sincerity—believes is so important.

We simply cannot argue that we believe in stable communities, in family networks and in connecting people with the workplace if we then take away the very

mechanisms that make all that possible. The argument has been developed, with convincing statistical underpinning, by academic experts that there is a real danger of that happening unless we have an adequate review mechanism. No proposal for such a mechanism exists at the moment, although there is a willingness to understand that there could be a problem. In Committee, the Under-Secretary of State for Work and Pensions, the hon. Member for Basingstoke (Maria Miller) said:

"The Secretary of State will be able to adjust rates to ensure that the housing support available does not become completely out of kilter or out of touch with local rental markets. We will monitor the impact of these measures and make further adjustments if it is right to do so".—[*Official Report, Welfare Reform Public Bill Committee*, 3 May 2011; c. 711.]

That willingness to recognise a problem has therefore already been expressed by the Minister.

Also, I think that all three Ministers who are on the Front Bench have told us that the CPI rating will not last for ever, and that the arrangements could be reviewed at the end of the spending review period. However, the wording of the Bill is so wide that CPI or other measures could be used as a basis for setting rents under universal credit, and I think that Ministers are attracted to a permanent shift away from the idea of linking private sector rents to a market-based formula. That would be very dangerous and risky. We want the Government to offer clearer guarantees on how they will prevent an affordability and access crisis, which could in a very short time become even greater than the one that could be created by reducing the maximum percentile for local housing allowance claimants to 30%. We need a statutory assurance that monitoring will take place, and that it will lead to a proper review.

When we discussed child care and other elements of universal credit earlier, my right hon. Friend the Member for East Ham (Stephen Timms) said that the success of universal credit would rest heavily on child care costs. I hope he does not think that I am disagreeing with him when I say that the treatment of child care and passporting costs will not be the only critical test for millions of people; the treatment of housing costs will be, as well. I am genuinely concerned that an underestimate of the real cost of housing is already feeding through into universal credit, which will lead to a lot of people being disappointed when universal credit fails to deliver on its promises in the way that we want it to.

Amendment 32 deals with under-occupation and adapted properties. The Government are planning to reduce housing benefit payments for 670,000 social housing tenants: one third of all working-age housing benefit claimants living in social housing can expect to see their benefits reduced in 2013. Under the new restricted size criteria, any household deemed to be under-occupying its home by one bedroom would lose 13% of its total housing benefit, while those under-occupying by two or more bedrooms would lose 23% of the total. The average cut across all households would be £676 a year.

We know that only a tiny minority of those affected will be able to downsize to avoid the penalty, due to the shortage of smaller properties and the striking regional imbalance between the level of housing need and under-occupation. That is because of the competing pressures that social landlords are under when it comes to meeting their statutory obligations to house homeless households and other people in priority need. Alarmingly, the Government do not want those affected to move, because if they did move, the Government would not be able to meet their savings targets. We have not so much an incentive scheme as a straightforward cut in income for poor households. When we discussed this in Committee, the Minister was unable to give us any assurance on exactly the true purpose of the benefit cut, as explicitly spelled out in the impact assessment.

I want to concentrate for a moment on disability and adapted properties. Of the 670,000 claimants—

9.15 pm

The Minister of State, Department for Work and Pensions (Steve Webb): The hon. Lady was present at oral questions this afternoon, when I tried to link the situation of 25 to 34-year-old single people who will be looking for shared accommodation with that of social tenants who have a spare room. Is she interested in the idea of social tenants, be they local authority or housing association, renting out spare rooms, thereby covering a shortfall in housing benefit and helping young single people at the same time?

Ms Buck: That is a reasonable option to allow people to take, but I seriously doubt whether it is an answer to the problem, for a whole host of reasons. In particular, there is a striking imbalance between where the social housing occupation is and where the demand for private rented accommodation is.

Many things worry me about what the Minister has just said, because here we are on Report, months after an impact assessment set out what the proposals are likely to mean, and suddenly an option as to how the Government think that the penalty might be avoided is thrown in. Let us sit down and have a proper impact assessment—a proper review. Let us see, for example, how any income from rental would be treated in the benefits system, because that could become subject to the same rules as non-dependant deduction, which would not leave people better off at all. Before the Minister asks me to regard it as a serious option, let us see exactly how it would be workable as regards the match between demand and supply and how it would be treated for the purposes of tax and other benefits.

Kate Green: Does my hon. Friend accept that there is a likelihood that from time to time, at least, if not constantly, disabled people may need extra space to accommodate overnight care? Therefore, the prospect of a tenant—a stranger, possibly—moving into their home would be completely impractical as well as potentially rather alarming.

Ms Buck: That is absolutely right; my hon. Friend makes a valid point. I am not going to say that just because someone is in a social tenancy they would not be able to have somebody else living in their home. People make that decision in the private sector; morally, it is not a completely absurd thing to do. However, I do not know whether it deals with the problem in any meaningful sense or what all the implications will be.

People with disabilities are, by definition, much more likely to have formal or informal care or to want the capacity to have friends and relatives coming in to provide them with care. Yet we know from the Government's impact assessment that 66% of all those affected by the cut in benefit in the social housing sector are categorised

[Ms Buck]

as disabled—not all severely disabled; I understand that—and that between 101,000 and 108,000 of those properties, depending on which definition one accepts, are specifically adapted for their needs. In Committee, the Minister made some reassuring noises about the problem. She told us that the Government were prepared to

"look in detail at how we can ensure that there are exemptions for individuals who are disabled, where their homes may have been subject to extensive adaptations to accommodate that."

However, earlier in the debate she had told us:

"Providing an exemption for all adapted accommodation would not be the right approach"

and that exemptions should be applied only where making a fresh adaptation would cost more than

"allowing someone to stay where they are."—[*Official Report, Welfare Reform Public Bill Committee*, 3 May 2011; c. 685-716.]

That prompts several important questions about the sheer level of bureaucracy that will be necessary to send somebody into every single one of those 108,000 adapted properties to carry out an official survey to establish the extent of those adaptations and come up with a cost-benefit analysis to see whether a move to alternative property will produce a cost benefit, and if it does not to assess the margin of error. If an adaptation would cost £10,000, but it was deemed that the cost saving would be £9,500, would the person with the disability be expected to move from their flat? Would the difference be £1 or £20? This is one of those counter-arguments that sounds seductively simple until one starts picking away at it and finds that it does not sound very good at all.

Dame Anne Begg: Does my hon. Friend agree that the problem is not just the cost, but the upheaval and the incredible time it takes to adapt a house? I know about this because I have done it three times myself. It takes at least six months, and all that time, the person might not be able to get into their own home.

Ms Buck: My hon. Friend is absolutely right. I have been drawn into arguing with the Government on their own terms, which is a clinical, cash-led way of debating such things: if it will cost £5, someone may have to lose their home; that is the only measure. However, my hon. Friend is right, and we expressed such anxieties about the whole under-occupation policy in Committee. We could be talking about somebody in an adapted property, somebody who has been in their family home for 30 years, or somebody who has been in their home for 30 years but has recently been widowed or lost a child and is suddenly deemed to be under-occupying.

Glenda Jackson: Is there not another bureaucratic hurdle for people who are in adapted homes or, as is often the case in my constituency, elderly people who have lived in a place for a long period whose families have moved? Both categories could be defined as vulnerable. I am not saying that all young people in this country are necessarily hell-raisers, but would there not be a justifiable cause for an additional tenant to go through a Criminal Records Bureau check?

Ms Buck: I am not going to be drawn into debating the advantages and disadvantages of an argument that has just been thrown into the air by the Minister. In some circumstances, the idea may work. Some individuals of working age will actively want to downsize and will say, "We are in a three-bedroom property and it is too big for us. We have been waiting for years to get into a one-bedroom property." In the real world, we all deal as constituency MPs with people with a huge number of different needs. There are people in all different circumstances, and these different options will work for some people.

The point, surely, in discussing this amendment is that there are 101,000 to 108,000 households in properties that are specifically adapted for their needs who, despite the slightly more sympathetic noises coming from the Minister, in just over 18 months will lose up to 23% of their housing benefit. I am not sure that the vague and general ideas being thrown out by the ministerial team are doing anything to help us deal with that reality.

Sarah Newton: Does the hon. Lady agree that what we are talking about is treating people like people? All people have their individual circumstances and the decision makers are best placed to use their discretion to tackle these issues. Within housing benefit, there is discretionary funding so that people can be treated like humans. Finally, to reassure the hon. Member for Hampstead and Kilburn (Glenda Jackson), pensioners are of course excluded from the concerns that she raised.

Ms Buck: Pensioners are excluded. As I have argued, the attempt to move people of working age in order to avoid the disability penalty is likely to stop registered social landlords from moving pensioners who want to downsize voluntarily, because there simply is not enough flexibility in the social rented sector to allow that to happen. The hon. Lady is making my point for me: there is no discretion. The 670,000 social housing tenants who will be subject to the housing benefit cut, and the 101,000 to 108,000 people in specifically adapted properties, will be subject to a benefit cap. There will not be any discretion. All that the Government can say, apart from mentioning the possibility of people taking in a lodger or moving to an alternative property in a few cases, is that the discretionary housing payment will sort it all out.

Dame Anne Begg: Grampian Housing Association, one of the social landlords in my area, has written to me and said:

"If this goes ahead it will increase demand for property sizes that we simply cannot supply and lead to a great deal of stress for the families involved."

It knows its housing stock, and it knows that it does not have houses of the size required.

Ms Buck: My hon. Friend is absolutely right. We know from all the evidence that has been given to us by the experts who are running housing associations that they do not have flexibility in their stock. The one and two-bedroom properties that are needed for people downsizing from three and four-bedroom houses are not available. They simply do not exist. There is not a supply that will enable anything other than a tiny minority of people to avoid this punitive benefit cap, because people will not be able to move. The property is not there for them to move to.

Nor is the property there for people who need adapted properties. I think it was my hon. Friend who made the point that when the cost-benefit analysis tips in favour of someone being required to move because of the value of their adaptations, they then have to make adaptations to another property. I had someone in my surgery last week who had an occupational therapist from Westminster council visit them in November about adapting their property, and they had not heard another word. That person, a wheelchair user who is unable to use their own bathroom, has been waiting eight months for the process of adaptations to be even started. We can multiply that situation by 108,000.

Sheila Gilmore: Has my hon. Friend noticed yet another anomaly that will arise? If somebody moves from an adapted home to another home that then has to be adapted, what guarantee is there that the first house will get a tenant who needs the adaptations that have already been done? There is therefore a waste of resources, not the best possible use of property that housing associations and councils attempt to achieve.

Ms Buck: There is the remotest chance of the property that such a person is leaving being occupied by someone who requires the same level of adaptation. It is like playing three-dimensional chess—it will be almost impossible to fit all the people into the properties that exist. At the moment there is supposed to be a flood of people who will leave under-occupied properties in the north-west of England and swap with people in London and the south-east. Then when all the individuals who need adapted properties are considered, it becomes a literal impossibility to ensure that properties match people's needs properly.

Sarah Newton: The hon. Lady is being very generous in giving way to me.

I imagine that there are a great number of vulnerable people who are sitting at home listening to this debate, or who will read *Hansard*. For the sake of clarity, I think it is incredibly important to go back to something that was said earlier and remind the whole House that people who are disabled are not subject to the benefits cap.

Ms Buck: To be absolutely clear to the hon. Lady, I am not talking about the overall benefit cap. *[Interruption.]* No, it is a benefit cap. It is a benefit cut.

Steve Webb: You are confusing people.

Ms Buck: I am not confusing anybody. It is a cut in housing benefit of up to 23% for 670,000 households, of which, according to the Government's own impact assessment, 400,000 include a disabled person and 108,000 are in adapted properties. Most of those people will have no means of avoiding the cut in their housing benefit, because there is nowhere for them to go. Even if there were, the Government do not want some of them to go there, because then they would not meet their own savings targets.

Jenny Willott: The hon. Lady said that she thought that there was no earthly chance of somebody with a similar level of disability needing a property that had become available. I am sure that, like me, she must have an awful lot of people coming to her constituency surgery who have disabilities and have been waiting a very long time for adapted homes. *[Interruption.]* Disregarding the rest of the debate, and the Labour Members who are hollering at me, the chances are that there will be somebody who wants those properties. That is not a reason to go ahead with moving people, but it is not true to say that there will not be people waiting who need those properties.

9.30 pm

Ms Buck: The point that the hon. Lady misses is this: when people come to my advice surgery and say that they need an adapted property, they do not mean that they need one in Merseyside. That is the fundamental problem. Not only is there a regional imbalance in the supply of accommodation, but each individual has individual needs. If they do not, why does my local authority employ Dependability Ltd to send occupational therapists to assess individual needs? I am sure that my hon. Friend the Member for Aberdeen South (Dame Anne Begg) would support me on this, but every individual with a disability is likely to have personalised requirements. That is my central argument. Not everybody has wheelchair access adaptations or larger bathrooms or lower counters. Adaptations are highly tailored to the individual's circumstances, as they should be.

In some cases, the Government's proposals will work like a dream. Nobody is arguing that in no instance will a perfect match be found and people will be satisfied. My central point is that that will involve a minority of the 108,000 who will be affected. I cannot see—housing associations support my analysis—how the result could be anything different. The measure is likely to result in a phenomenal waste of money on adapted properties and/or to trap people with disabilities who are by definition on low and fixed incomes with a cut in their living standards, which is exactly what the Government told us they wish to avoid.

Last year, the Secretary of State claimed that disabled people had "nothing to fear" from his welfare plans, adding:

> "It is a proud duty to provide financial security to the most vulnerable members of our society and this will not change."

If disabled people are in an adapted property with an extra bedroom, they have every reason, as things stand, to worry.

To return to the intervention from the hon. Member for Cardiff Central (Jenny Willott), the discretionary housing payment, which the Government repeatedly say is a panacea, is the philosopher's stone, as I described in Committee. Somehow, the £40 million a year fund will stretch to cover overall cuts in housing benefit of £1.5 billion. There is no earthly way in which it can stretch sufficiently to cover the protection of vulnerable younger people who are affected by the single-room cuts, of people in accommodation that has been adapted for disabled use, and of all those whom we want to keep in their homes because we want them to keep their jobs when their property becomes unaffordable owing to overall housing benefit cuts and the downrating from CPI.

Glenda Jackson: As my hon. Friend the Member for Hayes and Harlington (John McDonnell) mutters from a sedentary position, the scheme is not voluntary. That

[Glenda Jackson]

is surely the antithesis of what Government Members have argued—they say that their plans treat everybody as individuals. The scheme is an imposition.

Ms Buck: My hon. Friend is absolutely right. The scheme is not voluntary. Voluntary downsizing has a proud history. Good local authorities and housing associations provide voluntary downsizing, which is sensible. The Government's measure requires 108,000 households whose properties have been adapted for disabled purposes to take, within the next 18 months, a significant cut in their housing benefit, or to move, regardless of the value of that adaptation. The Minister implies a mammoth bureaucratic exercise to evaluate every one of those adaptations, and to establish individual cost-benefit analyses in every case, in the hope, which I suspect will be a forlorn one, that an appropriate property will be available for people to move into when they fall foul of such analyses. That appropriate property does not have to be within the local authority area or even the region where those people have family, friends, support and, in some cases, employment.

Those two concerns, of the many that the Opposition have on housing costs, are the subject of the amendments that we have tabled. I hope that the Minister, who has made sympathetic noises on both issues in Committee, goes a little further tonight, and gives us solid and binding reassurances that there is a way of resolving the benefit trap that will catch so many people, in order, as Ministers have frequently stated in the media, to deal with a very small number of high-value claimants who dominate the media agenda. It is not fair to capture 108,000 disabled people and 750,000 claimants of local housing allowance, all of whom will be affected by the housing benefit cuts, in order to deal with a small number of extreme cases, on which we could otherwise have had a sensible debate about attempting to resolve.

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I thank the hon. Member for Westminster North (Ms Buck)for taking the time to talk to us about her amendments today. When I heard some of the reports on the radio this morning I thought that today would be a big day, when we would really be able to understand the Opposition's approach to welfare reform—but on the basis both of Question Time and of the debates on the Bill, many of us feel that there is a lot more work to be done.

Today was an important opportunity for Opposition Front Benchers to set out their amendments and how they would change the Bill, to show how they would deal with housing benefit. I have listened hard, but there is still no clarity. In fact, what we have heard is more and more contradictions from the hon. Lady. In her opening remarks she said that she did not want the housing benefit bill to rise, and she did not agree with housing benefit taking the strain. However, the amendments run completely contrary to those objectives. Amendment 31 would significantly erode the savings that the Government propose, and amendment 32 would draw the exemption so wide that it would be far broader than anything recommended by the specialist organisations. That is a concern.

Nor are we any wiser as a result of the Opposition Leader's speech today, which did more to create further confusion in this area. He talked about supporting people into housing as a result of their volunteering or working. That may sound familiar, but if the Opposition seek to link volunteering and work with housing, we hope that they do not intend to undermine eligibility for lone parents when it comes to their housing needs. It is difficult to comprehend how the hon. Lady will achieve her objectives with her amendments.

Sheila Gilmore: I am fascinated by the Minister's suggestion that people who volunteer cannot be lone parents, as she has just contrasted one group with the other.

In relation to housing, it could be suggested that amendment 31 would not achieve the results that the Government want. Having made one change—reducing the local housing allowance to the 30th percentile—are the Government really suggesting that they would be happy to see it move far beneath that if a gap appeared between that percentile and rent, if uprating were only in line with the CPI? Rents were previously uprated according to the movement of the market.

Maria Miller: If the hon. Lady recalls our debates in Committee, she will know that I have already made this very clear. The Government will keep such matters under review. Of course we want to ensure that things work as they should. What is important to me is that the Opposition have not set out in these amendments the principles that they would follow in this area. Do they want to continue to see spiralling rents in the private rented sector? Would they leave that unchecked? Do they want to see people on housing benefit being able to afford rents that those in work could never afford? Are the Opposition content to leave 250,000 social housing sector tenants in overcrowded accommodation when we have 1 million spare rooms paid for by housing benefit? The Opposition have failed to address those issues in their amendments today. In fact, they have gone further—

Sheila Gilmore: Will the hon. Lady give way?

Maria Miller: Will the hon. Lady forgive me for making a little progress? Many other hon. Members want to come in on this debate, and I want to set out my response to the amendments before we run out of time.

Before I turn to the specific amendments, I want to pick up on what the hon. Member for Westminster North said about rising homelessness. I am sure that she believed in the effectiveness of the previous Government, but she cannot expect the sort of impacts on homelessness that she implied after just one month of a policy being in place. I do not accept that the policies we are advocating will have the impacts on homelessness that she talked about. She has to get real: these policies have only been in place since April, and could not be driving the sorts of changes that she mentioned by this stage.

The hon. Lady said that her premise was affordability and access to housing. May I remind her that, given that 40%—and in some areas, including coastal towns, 70%—of those in the private rental market are in receipt of housing benefit, it is critical that we keep control of the amount of money going out in housing benefit? That way we can help the very first-time buyers whom

she purports to want to help, who are finding it so difficult to get into the purchase market at the moment, and who need to go into the rental market. The previous Government let those people down by not keeping control of housing benefit rents during their tenure.

Ms Buck: The statistic that 40% of the market is subsidised by the local housing allowance is central to the Government's argument. Will the hon. Lady finally, helpfully source that figure? Figures released in the English housing survey last month confirmed that only 24% of those in the total private rented sector in England were on LHA. Although there are regional variations, it would be helpful if we could finally and definitively have the source for that 40% claim.

Maria Miller: I thank the hon. Lady for her question. I shall be happy to write to her with the full details, and to remind her that the proportion is only 40% on average; as I said, it is 70% in some coastal areas. That is a significant issue that helps to determine the rental rates that many people—*[Interruption.]* I think I just said that I would write to the hon. Lady with the details. I do not have them to hand now.

The important matter to which I now turn is my response to the two amendments tabled by the hon. Member for Westminster North and the one tabled by my hon. Friend the Member for Cardiff Central (Jenny Willott) for us to consider today. We said in the universal credit White Paper that an appropriate amount would be added to the universal credit award to meet the costs of rent for claimants. We also said that levels of support for rent would be broadly similar to the support provided through housing benefit at the time that claimants began to move on to universal credit. In the private rented sector, we will build on the local housing allowance approach, incorporating the reforms that we are making over the coming year. This will give private rental tenants access to about 30% of the rental market in their areas, including most of London.

We also need, however, to do more to constrain the growth in rents, which is why increases will be limited in line with the consumer prices index. This will ensure that we continue to put the sort of downward pressure on rents that is so important to keeping control of our budgets and to affordability for those not in the housing benefit market.

Mr John Leech (Manchester, Withington) (LD): May I offer an alternative solution for keeping rents low? How about building more council houses and housing association houses, and getting the construction markets on the go as well?

Maria Miller: I would not want to incur the wrath of Mr Speaker by going into such issues, which are more to do with my colleagues in the Department for Communities and Local Government. Certainly, however, my Department has a responsibility to ensure that we apply that downward pressure on rents in order to ensure affordability for people across the board.

Dame Anne Begg: The housing associations in my area are saying that because they are likely to have people defaulting on their rents, such housing will no longer be a good investment, and for that very reason further building programmes are likely to be curtailed. That is the result of the Government's policies.

Maria Miller: I know that that issue has been brought up, and we will work on it with the landlords concerned. Obviously, we do not want that to be the position: we want to ensure that there is no problem with the money that flows to landlords. We will work hard to address that.

Mrs Louise Mensch (Corby) (Con): Does my hon. Friend share my amazement, and that of hard-working people in my deprived constituency of Corby, that the Opposition—the Labour party—are trying to prevent us from maintaining downward pressure on rents?

9.45 pm

Maria Miller: My hon. Friend is right to be incredulous about the Labour party's position. She should also express incredulity at the fact that the Labour Members do not seem to have a policy—apart from opposition to the proposals.

I remind hon. Members that the restriction will apply only in areas where local market rent increases at the 30th percentile exceed the annual rate of increase in the CPI. We have said that we are committed to making savings from that measure, but if it becomes apparent that the LHA rates and rents are out of step, that can be reconsidered, as I said in Committee.

Let me briefly consider amendment 72, which raises an important issue for us all. We want to ensure proper and accurate monitoring of the impact of the introduction of our policies. Indeed, we have put that in place for the work capability assessment and our reform of DLA. My hon. Friends the Members for Cardiff Central and for Redcar (Ian Swales) are right to highlight the importance of having an accurate method of assessing the impact of our policies. That is an important and prudent part of Government policy. I hope that my hon. Friends will be reassured that we have already commissioned independent external research to evaluate the impact of the housing benefit reforms that we announced in June 2010 in the Budget and in the spending review. The review will be comprehensive and thorough and presented to both Houses, together with a ministerial statement. We intend to make final findings available in 2013, with initial findings available in 2012.

Jenny Willott: There is a huge range of issues that we clearly cannot cover this evening in the time available to us. However, I would be grateful if the Under-Secretary ascertained whether one matter in particular could be included in the review: how foster children are covered. As I understand it, foster children are not counted in the allocation of bedrooms. The way in which the measure is implemented could have a significant impact on local authorities' ability to recruit foster carers, and on the care that can be provided for foster children. That has not been covered in the debate so far.

Maria Miller: My hon. Friend makes an important point, which has been raised with me on a couple of occasions. I remind her that currently there is no additional allocation of housing for families with foster children. There is an accrual within the payments that are made to cover additional housing costs. However, she makes the important point that, whatever our housing policies, we should not disincentivise or put unnecessary barriers

[Maria Miller]

in the way of foster carers who do so much to give children who cannot live with their own families the sort of start in life that they need.

Simon Hughes (Bermondsey and Old Southwark) (LD): Does the review—or any of the reviews—include the further point about which the Secretary of State said he wanted to be helpful—ensuring that there is a possibility that broad market rental areas become more coterminous with local authorities? Will the review cover where people might move to, so that they are not obliged to move out of their natural communities, which in most cases in London would be the local authority area where they currently live?

Maria Miller: I thank my right hon. Friend for that comment. I am not aware that the research will cover that at this time, but perhaps I could consider that in more detail. He has raised that point in the past.

Mr Alan Reid (Argyll and Bute) (LD): Will the Under-Secretary give way?

Maria Miller: Would my hon. Friend mind if I made a tiny bit more progress on the amendment, and tried to deal with some of the others?

In that spirit, we are considering the most effective way of monitoring and evaluating the housing support measures. That will enable us to understand the effectiveness of the measures in the same way as we will understand the 2011 measures. However, reviewing the operation of the changes in the first year will be too soon—something that I have also considered in relation to other measures in the Bill. We need to ensure that the measures have time to mature and bed in, so that their effectiveness can be properly evaluated. I am not sure that I agree with my hon. Friends that conducting such a review after the first year would be the best way to assess the effectiveness of our policies. Therefore, I cannot commit to the timetable that they propose, even if we are attracted to the idea of conducting comprehensive research. However, I can reassure them that we are looking at ways of funding an external review—this time on the measures in the Bill—and that we will consider that in some detail in the coming months.

Amendment 32 was also tabled by the Opposition. I am sure that Members are aware of the pressures that we face in social housing; indeed, there are some facts that we have to consider before we can look at the amendment in any detail. We know that less than 5% of social tenants in England move each year in the social housing sector. That is not helpful, given the 250,000 overcrowded households waiting for a suitable property to meet their needs. There is also limited social housing stock, with waiting lists of 5 million people, 250,000 tenants in overcrowded housing and almost 1 million spare bedrooms being paid for through housing benefit. There is a mismatch in the market. I am quite astonished that the hon. Member for Westminster North spent no time talking about that or showing her support for the action that we are taking to put it right.

Sheila Gilmore: It is important that the Minister establishes whether the Government's proposal is intended to solve the problems of under-occupancy and over-occupancy or simply to save money. Even if the changes that she wants are achieved, there will be no saving in the housing benefit budget, on the assumption that many of the people moving into the houses thereby vacated will also be on housing benefit.

Maria Miller: It is absolutely not fair that we have 1 million spare bedrooms being paid for by housing benefit. It is not right—many taxpayers would never be able to afford a spare bedroom in their properties—nor is it fair for those living in overcrowded or poor housing conditions, waiting for long periods for the opportunity to live in a home that is decent or that actually reflects the size of their family. I would ask the hon. Lady to consider that.

Amendment 32 would provide an exemption from the social sector size criteria measure for disabled people living in adapted accommodation. The intention is to ensure that where people have significant or extensive adaptations, they do not have to move and have a new property adapted, which would result in additional costs. I assure the House that I fully understand those arguments. I agree that it might not make sense to move someone from their home if they have already had significant adaptations. Replicating such changes would impose unnecessary costs. We are not interested in shifting costs from one budget to another. However, as we previously set out, we cannot take the broad-brush approach that amendment 32 would allow for. The amendment talks about a property that is

"specially adapted or particularly suited to...the needs of that person."

This means that the provision would be drawn very widely drawn indeed, covering any adaptations.

Some adaptations, such as a handrail in a bath, may be so minor that exempting the tenant on the basis of that adaptation alone would simply not be justifiable. The provision would also cover a property that had been adapted for someone's past needs, and would require local authorities to exempt those whose accommodation was particularly suited to meet their needs—perhaps those in a ground-floor flat or a property with a limited number of stairs to climb. We do not have the data on how many such cases there are, but it seems likely that many would fall into such a broad category. Again, that would prove very expensive—something that the hon. Member for Westminster North seemed to ignore. It is not clear what evidence would be required or who would be responsible for the decision. The amendment refers to the provision of

"certificates, documents, information or evidence",

which, as the hon. Member for Westminster North said, also suggests a degree of administrative intervention. She made a valid point in Committee, but I am surprised that she is pushing it even further. I think that many stakeholders would rightly be concerned about the potential cost of her proposals and about the additional burdens such bureaucracy could load on to landlords and others.

The National Housing Federation estimates that about 108,000 tenants in adapted accommodation are likely to be affected by the introduction of the size criteria to restrict housing benefit. The NHF has kindly shared its data with us and I understand that our officials have met the federation since Committee and are continuing to explore the data in some detail. However, as well as looking at the available data, we want to talk to housing providers, but that will take some more time.

Funding for adaptations can come from a number of sources, one of which is the disabled facilities grant. Some 44,000 awards were made in 2009-10 in England and the average award was some £7,000. However, many of these are paid to owner-occupiers, not to those living in social rented houses. Research published by the Office of the Deputy Prime Minister in 2005 showed that about 70% of all adaptations were for less than £1,000 and that only 19% were wholly funded from the disabled facilities grant. In England, the maximum grant is £30,000, but there are discretionary powers to enable local authorities to meet costs in excess of that. Adaptations of this magnitude would be substantial, potentially involving the construction of a single-storey or double-bedroom extension, together perhaps with the installation of a toilet or en-suite shower. Figures from the same source indicate an average cost of about £2,000 for the installation of a stairlift. We will consider the evidence further, but it is important for the House to look at the facts and realise that many of these adaptations are at a much lower level than the hon. Lady indicated in her comments.

As I said in Committee,

"it is not our intention to put something in place that would have a disproportionate impact on disabled people. If someone has had their property adapted because of their disability, it makes no sense to move them to a different property and spend more money on costly adaptations."

I concluded that a "blanket exemption" was not the best approach and that we would need to consider

"how we can best target the help at people, while keeping in mind the practical difficulties of identifying...where accommodation has been adapted".—[*Official Report, Welfare Reform Public Bill Committee,* 3 May 2011; c. 687.]

We acknowledge the concerns that have been highlighted, but this amendment goes much further than was suggested even by the sector itself. I hope that, in the light of my comments, hon. Members will look again at the amendments and agree to withdraw them.

Mr Reid: I shall have to be brief. Much of the Bill will be implemented through regulations. Much of the debate has been about London and big cities, but I want to draw the Government's attention to another part of the country—the highlands and islands of Scotland, where communities live large distances apart. My right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes) referred to community, and if people live on an island, the island is the community, yet it often has limited housing stock.

As a result of this Bill—either because of the 30th percentile provision or because they are under-occupying—some people might have to move house. When the regulations are being drawn up, I urge the Government to take the sparsely populated parts of the country into account. If people are going to have to move, they should be able to do so within their community. If they live in mainland villages, the next village might be 10 or 20 miles up the road; if they live on an island, the community is the island.

The regulations are to be subject to a negative resolution, but I urge the Government to use the affirmative resolution so that they can be properly scrutinised here. I urge the Government please to take into account the needs of the sparsely populated parts of the country as well as the cities.

10 pm

Debate interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the amendment be made.

Question negatived.

Schedule 1

UNIVERSAL CREDIT: SUPPLEMENTARY REGULATION-MAKING POWERS

Amendment proposed: 27, page 103, line 1, after 'income,', insert—

(ba) a person's earned income from self-employment,'.—*(Stephen Timms.)*

The House divided: Ayes 213, Noes 304.

Division No. 290] **[10.1 pm**

AYES

Abrahams, Debbie
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg

Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, Angus
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Lyn Brown and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Coffey, Dr Thérèse
Collins, Damian
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollobone, Mr Philip
Holloway, Mr Adam
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark

Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Penning, Mike
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Mark Hunter

Question accordingly negatived.

The Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Clause 43

REGULATIONS: PROCEDURE

Amendments made: 14, page 20, line 6, at end insert—

'( ) A statutory instrument containing the first regulations made by the Secretary of State under any of the following, alone or with other regulations, is subject to the affirmative resolution procedure—

(a) section 5(1)(a) and (2)(a) (capital limits);

(b) section 8(3) (income to be deducted in award calculation);

(c) section 9(2) (amount to be included in award calculation for standard allowance element);

(d) section 10(3) (amount to be included in award calculation for children and young persons element);

(e) section 11 (housing costs element);

(f) section 12 (other needs and circumstances element);

(g) section 19(2)(d) (claimants subject to no work-related requirements);

(h) sections 26 and 27 (sanctions);

(i) section 28 (hardship payments);

(j) paragraph 4 of Schedule1 (calculation of capital and income);

(k) paragraph 1(1) of Schedule6 (migration), where making provision under paragraphs 4, 5 and 6 of that Schedule.'

Amendment 15, page 20, line 9, leave out 'under this Part'—*(Chris Grayling.)*

Clause 46

SANCTIONS

Amendment made: 16, page 27, line 22, at end insert—

'(1A) In section 37 of that Act (parliamentary control), in subsection (1), before paragraph (b) there is inserted—

"(ab) the first regulations to be made under sections 19 to 19C;".'—*(Chris Grayling.)*

Clause 49

CLAIMANT RESPONSIBILITIES FOR JOBSEEKER'S ALLOWANCE

Amendment made: 17, page 35, line 13, at end insert—

'( ) In section 37 (parliamentary control), in subsection (1), after paragraph (a) there is inserted—

"(aa) the first regulations to be made under section 6J or 6K;".'—*(Chris Grayling.)*

Clause 56

CLAIMANT RESPONSIBILITIES FOR EMPLOYMENT AND SUPPORT ALLOWANCE

Amendment made: 18, page 44, line 48, at end insert—

'( ) In section 26 (parliamentary control), in subsection (1), after paragraph (a) there is inserted—

"(aa) the first regulations under section 11D(2)(d) or 11J,".'—*(Chris Grayling.)*

Bill to be further considered tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SOCIAL SECURITY

That the draft Social Security (Electronic Communications) Order 2011, which was laid before this House on 14 March, be approved.—*(Miss Chloe Smith.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CAPITAL GAINS TAX

That the draft Taxation of Equitable Life (Payments) Order 2011, which was laid before this House on 21 March, be approved.—*(Miss Chloe Smith.)*

Question agreed to.

PETITION

Financial Services Compensation Scheme

10.15 pm

Jonathan Evans (Cardiff North) (Con): I beg leave to present to the House a petition signed by Mr Peter Williams, Mr Paul Wiggins and Mr Jason Evans, all of whom are constituents of mine, together with some 6,761 other signatories from throughout the United Kingdom, gathered by the British Insurance Brokers' Association. They are concerned at the impact of the decision of the Financial Services Authority indefinitely to delay its planned review of the Financial Services Compensation Scheme. The petition states:

The Petition of members of the British Insurance Brokers' Association (BIBA),

Declares that the petitioners believe that the Financial Services Authority (FSA) should urgently accelerate its consultation on the fundamental review of the Financial Services Compensation Scheme (FSCS), to ensure that new rules are in place for April 2012 so that general insurance brokers do not see further disproportionate levy increases; and further declares that the 3,500 full time 'insurance brokers' should have separation from the other 'secondary sellers' in the insurance intermediary sub-class.

The Petitioners therefore request that the House of Commons urges HM Treasury to accelerate the FSA's review of the FSCS consultation with immediate effect.

And the Petitioners remain, etc.

[P000927]

Workplace Drug Testing

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

10.17 pm

Jackie Doyle-Price (Thurrock) (Con): I am pleased to have the opportunity to address the House on workplace drug testing. As the emphasis on health and safety in the workplace is heightening, the incidence of drug and alcohol testing in the workplace is increasing, too. Such testing is welcomed and supported by both employers and employees, for very good reasons, as it is in everyone's interest that the workplace is a safe environment.

Trade unions recognise that any one employee working unsafely poses a risk to other employees and they have been happy and willing to agree drug and alcohol policies with their employers. That means that workplace drug and alcohol testing is becoming increasingly prevalent, which is great from a health and safety point of view and, through deterrence alone, could be anticipated to lead to fewer industrial accidents. I have concerns, however, from a human rights perspective. These tests can act as judge and jury and, as a consequence, we need to ensure that the regulatory regime governing such tests and practices is adequate and that both employers and employees understand their rights and responsibilities with regard to such tests, so that employees are not treated unfairly.

I want to illustrate the issues with reference to my constituent, Mr Joe Kelly, who faced dismissal from his post following 31 years of employment with the same employer after he received a positive test for heroin. My constituent knew that the test was erroneous and mounted a successful challenge that saw him reinstated. As he says, however, he was prepared to take the risk and engage legal representation, but many other employees facing similar circumstances might not have that luxury. It is to protect the rights of employees that I am bringing these issues to the attention of the House.

I want to highlight to the Minister the key areas that I think pose a risk and to ask for his reflections on what the Government can do to strengthen understanding on the part of employers and employees through their trade unions. I am not sure this matter necessarily needs more regulation, but in drawing up an appropriate drug and alcohol policy, the employer and the trade union will need to satisfy themselves that they and their contractors have appropriate processes to deal with collecting and testing samples.

There are essentially three areas of risk that we need to get right. The first is the integrity of the collection process. This is the fundamental aspect that should be tightened. There must be a clear and documented chain of custody, so that samples are correctly identified and handled to prevent them from being mixed up, contaminated or tampered with. Without a chain of custody, there is no proof that the sample belongs to the subject.

In the case of Mr Kelly, the chain of custody could not be proved and the collection process was poor. He had been more than happy to comply with the demands for a random drug test, but in supplying his sample, he was very unhappy with the procedure. The process was not explained, consents were not properly sought, his samples were not sealed in his presence, and he had

concerns about the cleanliness of the process. Overall, he felt that the collectors were more concerned with speed than with accuracy and that there was serious risk of cross-contamination.

In this case the sample was saliva and, as is customary, two samples were collected so that in the event of a challenge, a repeat test could be run. Given that the samples were not sealed in the presence of my constituent, he could not be satisfied that the sample which had tested positive belonged to him, nor could he sure that the B sample belonged to him. In the event the B sample did clear Mr Kelly, but given his understandable lack of confidence in the process, he took his own measures and paid to have a hair test, which again cleared him.

Firms engaged in testing sign up to standards overseen by the United Kingdom Accreditation Service. In this example, the firm was signed up to UKAS standards only for the lab. I venture to suggest that employers should engage only with firms that are signed up to appropriate standards throughout the collection and testing processes.

The second area of risk is the testing process. In Mr Kelly's case the sample tested which read positive for heroin was very small. The testing company's own methodology stated that an insufficient sample would represent a failure in the chain of custody, but testing took place in any case. It is also suggested that the testing instrument was not properly calibrated to analyse such a small sample. Moreover, a multiplier was applied to the reading, which meant that the results were not reliable. In the absence of the multiplier, the test was in fact negative.

So when Mr Kelly obtained the lab report, it illustrated that the company had not complied with its own standards. I am very surprised that the company delivering the testing service met UKAS standards, in view of these deficiencies. That is why employers and their trade unions may not wish to leave it just to UKAS to establish quality and integrity of processes. I advise that they take steps to satisfy themselves that processes are sufficiently robust.

Finally, the human resources policies of the employer should be appropriate. Joe Kelly was confident that he was innocent, but his employer was adamant that the test was cast-iron evidence of guilt. I have no doubt that the employer acted in good faith, but alarm bells should have sounded. This was a 59-year-old man in a management position, with 31 years service. The test indicated serious heroin abuse over a prolonged period. One does not have to be a rocket scientist to appreciate that if this man had been a regular heroin abuser, it would not have taken a random drug test to highlight the fact. Physical and behavioural symptoms would have highlighted abuse. There needs to be some sensitivity on the part of employers about how positive tests are handled, with an appropriate appeal process if the employee or his line management feels that the test is not accurate.

Employers should be sensitive to the impact on people's reputations. That this episode happened to my constituent at the end of a long career as a respected member of staff has left a bitter taste. I am sure no employer would want to accuse long-serving members of staff unfairly and, if alerted to the risks, that they would wish to take steps to ensure that their processes were sufficiently robust. I suggest, therefore, that in the event of a contested sample, the employer must be satisfied that they can make available the chain of custody records to validate drug tests, the lab report for the screening test, the full report of the medical officer and a method statement for sample collection. If any of these is unsatisfactory, the test should be deemed invalid. In this case the lab failed to provide chain of custody documentation, failed to calibrate the instrument effectively, and failed to explain the lack of volume in the sample or justify the use of a multiplier. If the company doing the testing understood that it would have to supply this information to employers as a matter of routine in the event of a contested claim, I venture to suggest that this would act as a discipline to ensure that appropriate standards are maintained.

Ultimately, this case has been a learning experience for the employer and the union. They will happily concede that it took this unhappy incident for them to understand the risks that they were asking their employees to take with this policy. They have strengthened their procedures accordingly. However, the lessons of this case need to be understood more widely so that employers and unions do not sign up to procedures that are deficient. Otherwise, we may find other employees dismissed on the basis of samples that are not theirs or because they have been improperly tested. Such an event would also blight the employee's employment prospects, and in the interests of natural justice, we as law-makers should satisfy ourselves that we have done what we can to defend the rights of employees.

Does the Minister consider that there should be more guidance in this area, particularly given that drug and alcohol testing is becoming increasingly common? I do not believe that we need more regulation, but we need more understanding of the risks and more dissemination of best practice. Therefore, what might the Government do to highlight best practice and foster dialogue with employers and trade unions to heighten awareness so that the rights of employees are protected?

10.25 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I thank my hon. Friend the Member for Thurrock (Jackie Doyle-Price) for raising the matter and for the way she has done so. I hope that I will be able to give her some satisfaction on the points she wants the Government to address. Before doing so, it is important that I state for the record the legislative background to drug testing in the workplace.

Employers have a general duty under the Health and Safety at Work etc. Act 1974 to ensure, as far as is reasonably practicable, the health, safety and welfare at work of their employees. They also have a duty under the Management of Health and Safety at Work Regulations 1999 to assess risks to the health and safety of their employees. If they knowingly allow an employee under the influence of drugs to continue working and his or her behaviour places themselves or others at risk, the employers could be prosecuted. Their employees are also required to take reasonable care of themselves and others who could be affected by what they do at work.

The Transport and Works Act 1992 made it a criminal offence for certain workers to be unfit through drugs and/or drink while working on railways, tramways and other guided transport systems. The operators of those transport systems would also be guilty of an offence

[Mr Edward Davey]

unless they had shown all due diligence in trying to prevent such an offence from being committed. The Road Traffic Act 1988 states that any person who, when driving or attempting to drive a motor vehicle on a road or other public place, is unfit to drive through drink or drugs shall be guilty of an offence. The principal legislation for controlling the misuse of drugs is, of course, the Misuse of Drugs Act 1971. Nearly all drugs with misuse and/or dependence liability are covered by it.

Therefore, there is a legislative framework that makes it clear that employers have a duty to ensure that they look after the health and safety of their workers. There are several codes of practice to assist employers in this, most notably a free booklet published by the Health and Safety Executive, "Drug Misuse at Work", which mentions a number of related matters, including drug screening, which is what concerns my hon. Friend.

My hon. Friend will know that I cannot comment on the individual case, but the main thrust of her speech related to how drug testing is carried out. My Department is responsible for the sole Government-recognised UK national accreditation body, the United Kingdom Accreditation Service. UKAS operates accreditation as a public authority activity, as required by European legislation. It has a strong international reputation for the quality and rigour of its accreditation assessments and is itself regularly assessed by its peers.

UKAS accredits laboratories when required to do so by legislation or when voluntarily requested to do so by a laboratory. Accreditation is an assessment and attestation that a laboratory is competent to undertake specified conformity assessments. International standards exist to cover the collection of samples, and UKAS is happy to accredit against those standards. My Department works closely with UKAS and has full confidence in its work.

My hon. Friend raised the specific case of her constituent, as well as making a wider point. I am happy to ask UKAS to work alongside the Health and Safety Executive to improve the HSE's guidance on drug misuse at work and to expand the guidance coverage to include the complete drugs testing life cycle from the collection of a sample to its testing. I think that that was the point that she was seeking to make, particularly when she talked about the integrity of the collection process and the chain of custody. I hope that my officials will talk to UKAS and the HSE to ensure that the guidance can be improved in the way she mentioned. I agree that this is not an area in which new regulation is needed. Having listened to the case of my hon. Friend's constituent, I believe that we can deal with the concerns, which she rightly raised, through Government guidance. I hope that she will be satisfied with this response, but if, on reflection, she has any further questions, I would be very happy to deal with them personally if she writes to me.

Question put and agreed to.

10.31 pm

House adjourned.

House of Commons

Tuesday 14 June 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Palestinian State (UN Membership)

1. **Margaret Curran** (Glasgow East) (Lab): What his policy is on UN membership for a Palestinian state. [59271]

12. **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): What his policy is on UN membership for a Palestinian state. [59282]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Membership of the UN by September is one option under consideration by President Abbas. We believe that Israelis and Palestinians should return to negotiations. We will make a decision on UN membership only at the appropriate time.

Margaret Curran: Time and again, the Secretary of State has said that he is in favour of an independent Palestinian state based on 1967 borders. Surely with events going apace in the middle east, the time is right to show solidarity with the Palestinians, support them at the United Nations and prove, once and for all, that we are on the Palestinian side.

Mr Hague: We have lent a great deal of support to Palestinians at the United Nations. For instance, as the hon. Lady will know, in February we voted for the Palestinian resolution on settlements. We voted the opposite way to the United States on that occasion, which is unusual for this country. We strongly support a future state based on 1967 borders, and we welcome President Obama's recent speech in that regard. We must remember that the way to a viable and secure state is through negotiations between Israelis and Palestinians. It is to those negotiations that we want both parties to return.

Sandra Osborne: I am disappointed in the Foreign Secretary's answer. If we wait for negotiations to resume, we will wait for ever, given how things are going. President Obama made self-determination the focus of his speech to the middle east and made reference to the brave people struggling for freedom in the Arab world. Does that not also apply to the Palestinians, and would UN membership not take us a step forward?

Mr Hague: The hon. Lady will have to be disappointed with the position of all European countries, because we have all withheld a decision on the question of Palestinian recognition and membership of the UN. It is vital to remember that the way to a secure Israel and a viable, prosperous Palestinian state is through negotiations between the two. She is right to be frustrated or exasperated by the time that the negotiations have taken. Nevertheless, there is no way to lasting peace in the middle east other than through those negotiations.

Sir Malcolm Rifkind (Kensington) (Con): Will the Foreign Secretary impress upon the Israeli Government in a friendly but firm way that the only manner by which they can avoid an overwhelming vote in favour of a Palestinian state at the General Assembly is if the Israeli Prime Minister gives an unequivocal commitment in support of a two-state solution, as proposed by President Obama, and a commitment to enter into early and meaningful negotiations to that end?

Mr Hague: Yes, I agree with that. My right hon. and learned Friend is right that it is important for Israel to show a readiness to negotiate in the light of President Obama's speech and what could happen at the United Nations in September. Indeed, one advantage of the United Kingdom and other EU nations considering our position on this matter over the next few months is that it will maximise the pressure on both Israelis and Palestinians to enter such negotiations.

Sir Menzies Campbell (North East Fife) (LD): Does my right hon. Friend agree that an essential feature of statehood is identifiable and recognised borders? Will he therefore confirm that there will be no compromise on the principle that any settlement must be based on the borders of 1967?

Mr Hague: My right hon. and learned Friend will know what the President of the United States has said about 1967 borders. We have always said that we mean 1967 borders with mutually agreed swaps of land. I therefore do not think that we can be as categoric as my right hon. and learned Friend, but based on those borders, subject to agreement, there will be a good deal of latitude.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): What is the Secretary of State's assessment of the moves towards Palestinian unity? Does the reconciliation process between Fatah and Hamas make it more or less likely that the United Kingdom will support UN membership for Palestine?

Mr Hague: Our stance on that, if it comes to that point in September, will depend on many things, including the issues that I have commented on. It is important that the reformed Palestinian Authority—we still await many of the appointments to that body—uphold non-violence, are committed to a negotiated two-state solution, and uphold the previous agreements of the Palestine Liberation Organisation. Those are the factors by which we will judge the Palestinian approach.

Andrew Percy (Brigg and Goole) (Con): Mr Speaker,

"peace cannot be imposed on the parties to the conflict. No vote at the United Nations will ever create an independent Palestinian state."

They are not my words, but those of President Obama. Might not moving too quickly towards a unilateral declaration of statehood undermine moves towards peace entirely, and should we not be seeking negotiations towards an agreement between the two parties outside the UN?

Mr Hague: My hon. Friend will have heard in my answers that we have placed our emphasis strongly on that. There is a need for a return to negotiations by both sides, and now that President Obama has made his speech about 1967 borders, I hope that Palestinians will take that approach. We have already talked about the Israeli approach.

Mr Speaker: John Cryer: not here.

Piracy (Horn of Africa)

3. **Eric Joyce** (Falkirk) (Lab): What recent assessment he has made of the threat to UK shipping from piracy off the horn of Africa. [59273]

7. **Laura Sandys** (South Thanet) (Con): What recent progress his Department has made on its work to counter piracy off the horn of Africa. [59277]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): Thanks to international navies and the self-defence measures used by large sectors of the shipping industry, there have been no hijacks in the critical gulf of Aden trade artery since November 2010. However, piracy continues to pose a significant risk to shipping and seafarers in the Indian ocean, with 18 successful hijacks having taken place this year, so we are not complacent. Britain is playing a leading role in the counter-piracy operations at sea, and we are leading the international work with regional countries to help put in place penal and judicial facilities to deal with this evil.

Eric Joyce: The Minister is no doubt aware of the role of many British service personnel, and indeed ex-service personnel, in protecting shipping off Somalia in particular. Does he agree that in the end, only when Somalia has a high degree of law and order, which it does not at the moment, will the problems be properly solved?

Mr Bellingham: That is exactly why Her Majesty's Government are putting so much effort into leading the international initiatives to help rebuild that failed state. Indeed, the Department for International Development has a four-year, £250 million programme for Somalia, which will focus on building regional judicial and penal structures, strengthening the police, strengthening regional coastguards and trying to help coastal communities find alternative livelihoods. As the hon. Gentleman says, the problem will be solved only on land.

Laura Sandys: We need to have a deterrent to piracy, and currently the British Chambers of Commerce states that 80% of those who are captured are then released. What measures can we put in place, and can my hon. Friend expand on the international agreements that we need to counter piracy?

Mr Bellingham: I share my hon. Friend's great concern, because catch-and-release simply encourages further piracy. I recently visited the EU Operation Atalanta naval headquarters at Northwood, and the Minister for the Armed Forces made it very clear to me that the Royal Navy and other navies are doing all that they possibly can not just to capture pirates but to gather sufficient evidence for them to be put on trial in courts in the region. That is why I and my right hon. Friend the Foreign Secretary are working very hard with regional countries to build the vital penal and judicial capacity.

Mr John Spellar (Warley) (Lab): I regret that the Minister's reply was rather complacent. At a conference in Singapore last month, his colleague the Defence Secretary will have heard several Asian Defence Ministers express alarm at the considerable rise of piracy in the Indian ocean. Suggested solutions have included a greater use of convoys, Q-ships and private security; particularly importantly, changed and toughened rules of engagement; and possibly exclusion zones. The international community is united on the need for the matter to be brought to a head. As we are a major maritime nation, when will the Government get a grip and take a lead to combat this menace, particularly by getting international agreement and changed rules of engagement?

Mr Bellingham: I can understand the right hon. Gentleman's frustration. As I explained, there has not been a successful hijack in the gulf of Aden artery this year, because activity has been displaced into the ocean, and we are having significant successes. I can tell him that the EU agreed in May to amend its operational plan to deliver more robust action. I cannot discuss that publicly, but it is largely the result of efforts being made by my right hon. Friend the Foreign Secretary. I can assure the right hon. Gentleman that we are very much on the case.

Balkans

4. **Harriett Baldwin** (West Worcestershire) (Con): What recent assessment he has made of the political situation in the Balkans; and if he will make a statement. [59274]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): We welcome Croatian's progress towards EU membership, and the arrest of Bosnian-Serb general Ratko Mladic. We are seriously concerned by the political situation in Bosnia-Herzegovina, where there remains a need for sustained EU focus and a clear international strategy. There is also major work to be done on the dialogue between Serbia and Kosovo; to resolve the issue of Macedonia's name; as well as in restoring a functioning political dialogue in Albania. My right hon. Friend the Minister for Europe visited the western Balkans last week to discuss those and other issues.

Harriett Baldwin: At the recent NATO Parliamentary Assembly, the noble Lord Sewel presented a draft report on Kosovo, which described a dire economy with weak institutions, ethnical divisions, corruption and organised

crime, and poor relations with neighbours. Kosovo is not universally recognised as a state, but does the Foreign Secretary believe that it will one day be a viable European democratic state?

Mr Hague: Yes, I believe it will be, but bringing that about requires a great deal of work. We have been encouraging other nations to recognise Kosovo, but it is important that work takes place on economic development and the rule of law. It is also important to develop a positive track record of compliance with the requirements of the IMF programme. We look to Kosovo to do all those things.

Mr Denis MacShane (Rotherham) (Lab): May I welcome, as I am sure the Foreign Secretary does, the arrest of Ratko Mladic and his dispatch to The Hague? Eight thousand Europeans were taken out and shot one by one in the biggest single mass murder since Katyn. It was not, if I may say so, Britain's finest hour in foreign policy.

As we move forward in the Balkans, will the Foreign Secretary join me in urging President Tadic and responsible Serb politicians to recognise Kosovo, and to stop the blocks to Kosovo trading in the region and to its joining international institutions? The reason that Kosovo has the economic problems to which the hon. Member for West Worcestershire (Harriett Baldwin) referred, is that Serbia will not allow it—

Mr Speaker: Order. I think we have the thrust of the question. We are most grateful to the right hon. Gentleman.

Mr Hague: I went to Belgrade last summer to discuss those issues with President Tadic, and urged him to enter into an EU-facilitated dialogue with Kosovo. That was the essential first step towards what the right hon. Gentleman is talking about. President Tadic agreed, and I now urge the Governments of Serbia and Kosovo to engage with each other constructively. With good will on both sides, a dialogue can help to move both states towards EU accession.

Bob Stewart (Beckenham) (Con): Does my right hon. Friend agree that the scourge of organised crime in the Balkans is one of the biggest obstacles to good politics developing there?

Mr Hague: Yes, absolutely—it is extremely important to tackle those things to maintain the European perspective of the western Balkans countries. That is why in Croatian accession negotiations chapter 23 is of such importance. That will be true of all those states, and they should heed my hon. Friend's words.

Mr Wayne David (Caerphilly) (Lab): Does the Secretary of State believe that Croatia's membership of the EU would act as an effective catalyst for other states? Will he offer a time scale on that?

Mr Hague: We hope that Croatia's membership will encourage other states, although we also hope that they will draw the lesson that it is important to meet the conditions of EU membership. That is vital if the accession process is to have credibility in future. We are now in the closing stages of the negotiations on EU accession, and the Commission has made a positive recommendation. The matter will be discussed at the European Council next week; it would be premature for me to discuss dates ahead of that.

Popular Protest (North Africa and the Middle East)

5. **Graeme Morrice** (Livingston) (Lab): What recent assessment he has made of the likelihood of further popular protests in north Africa and the middle east. [59275]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Demands for greater political, social and economic participation will continue in the middle east and north Africa unless Governments work to fulfil the aspirations of their people. Through our Arab partnership initiative, the review of the European neighbourhood policy and the Deauville partnership announced at the G8, we are working with partners in the region to support those who seek political and economic reform.

Graeme Morrice: Given that Governments have disrupted access to the internet during protests on a number of occasions in recent months, what specific measures have the UK Government taken to support peaceful demonstrators organising online?

Mr Hague: Of course, we always support access to the internet politically and diplomatically. Indeed, one measure in our draft resolution on Syria, which is before the UN Security Council, seeks freedom of access to the internet. We sometimes also take practical measures to try to maintain access to the internet or give people advice on how they can access it. I do not want to give any technical details of that, because it would of course make it easier to frustrate them.

Mr Robert Syms (Poole) (Con): One of the features of the popular protests is the flow of information from organisations such as the BBC World Service. I know that the Foreign Office is having another look at the budget for the BBC World Service, but when are we likely to get a decision about its future shape?

Mr Hague: The Government have taken full note of the debate in the House two or three weeks ago calling for a review of that decision, and we are accordingly looking at the subject, along with the World Service, which is also considering its allocation of priorities. I think that by early July we will be able to come back to the House.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): Owing to the popular protests in north Africa and the middle east, the Opposition have been arguing for months that the European Union's External Action Service budget should be rebalanced in favour of post-Ben Ali Tunisia, post-Mubarak Egypt and, we hope, a post-Gaddafi Libya. Following the Deauville announcement, of which the Foreign Secretary spoke, will he tell us whether he now feels that the EU contribution is adequate to the challenge and risks, and what proportion of that money is new money?

Mr Hague: The crucial thing is the money available for development and economic partnership, rather than the budgeting of the External Action Service. As the right hon. Gentleman will be aware, the proposal published on 25 May by the Commission set out a plan that included €750 million of additional resource in order for the EU to work with the economies of north Africa. That is subject to further discussion at the European Council next week, but that is the Commission plan.

Mr Alexander: Let me ask about one country in particular—obviously, Libya. On 13 April, the Foreign Secretary told us that

"the United Nations should take forward lead planning for early recovery and peace-building in Libya."

Last Tuesday, he told the House that rather than the European Union or the United Nations,

"Britain is in the lead in post-conflict planning."—[*Official Report*, 7 June 2011; Vol. 529, c. 38.]

Given his further worrying statement last week that planning is only at "an embryonic stage", can he tell us who precisely is responsible for post-conflict planning? Is it the United Kingdom, the United Nations or the European Union? Furthermore, when will they come forward with something more than an embryonic plan?

Mr Hague: The right hon. Gentleman is conflating several different subjects. What I said needed fleshing out in more detail was the immediate planning of the national transitional council in Benghazi for the day after Gaddafi—if we can express it like that. It is doing a lot of that work, and we are looking forward to it communicating that. That is taking place, and we are in the lead in terms of looking in detail at the stabilisation response. Our stabilisation response team has been in Benghazi and is now writing its report, but we have been working with Italy and Turkey on that. So the UN will have that responsibility for co-ordination of humanitarian assistance and for the future, but Britain has taken the lead in putting people on the ground and doing the thinking. None of those things is inconsistent with the others.

Martin Horwood (Cheltenham) (LD): Will the Foreign Secretary take up with the Bahraini Government the specific case of Ayat al-Qormozi, the young woman who has now been imprisoned for nothing worse than reading out a poem to freedom at the Pearl roundabout, and can he do that as part of a more robust approach to the Bahraini Government and their Saudi guardians?

Mr Hague: Yes, of course we take up and express to the Bahraini authorities the need for universal respect for human rights, including for due process, and that is what we look to them to bring about in their judicial process. I have strongly expressed that view to the Crown Prince of Bahrain, and we will continue to make those representations to the Bahraini authorities.

Belarus

6. **Pamela Nash** (Airdrie and Shotts) (Lab): What representations he has made to the Government of Belarus on standards of governance in that country. [59276]

The Minister for Europe (Mr David Lidington): We have made direct representations at ministerial, ambassadorial and senior official level on a number of occasions, and of course we continue to condemn the imprisonment of Opposition politicians in Belarus, as well as the persecution and harassment of civil society leaders and human rights defenders there.

Pamela Nash: President Lukashenko's Administration are responsible for a series of enterprises, the profits from which are kept within the presidential Administration, including the KGB. Owing to clear close financial links between state oppression and such enterprises, is it not time that the UK looked at prohibiting British trade and investment with those companies?

Mr Lidington: As the hon. Lady knows, together with our European Union partners we have agreed a set of sanctions targeted against leading members of the Belarusian regime. There is also a review of the possibility of additional economic sanctions. Not every EU country has expressed itself in favour of that course, and we must take account of the need to get the balance right between harming the regime and not trying to impoverish further a people already oppressed. However, I take seriously the point she makes.

Tracey Crouch (Chatham and Aylesford) (Con): The Minister will be aware that, in light of its economic failures, Belarus has requested a further £5 billion bail-out from the IMF. What discussions has he had with the Treasury to ensure that Britain will not support a bail-out package unless it comes with a firm commitment from the Belarusian regime to recognise the basic rights and freedoms of its media and civilians?

Mr Lidington: My hon. Friend puts her point well. As she rightly says, the economy of Belarus is in a dire state, and the Belarusian Government's economic policies, as well as their internally repressive policies, are making a bad situation even worse for the people of that country. We are considering—both internally in the United Kingdom and in concert with international partners—what our approach might be in the event of Belarus applying for further help from the IMF.

Tunisia

8. **Graham Stringer** (Blackley and Broughton) (Lab): What recent assessment he has made of the political situation in Tunisia. [59278]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): We believe that the relationship between the interim Government and the growing number of political parties in Tunisia is a stable one, as we head towards the democratic elections in October. There are challenges—partly in the technical arrangements for a nationwide election and partly, of course, in the economic challenges that the country faces because of the events of recent weeks—but we believe that the building blocks for democracy will be in place as we get to October.

Graham Stringer: I am generally less optimistic about the Arab spring than the Government as a whole. However, given the unique history of Tunisia as probably

the most progressive country in north Africa, it could act as a beacon of hope, yet there are reports of interference from fundamentalists in the proposed Tunisian democratic process. What further help can the Government give to the democratic forces in Tunisia?

Alistair Burt: The hon. Gentleman's caution is well balanced and understood. It is right to recognise the good things that are happening—he is right about Tunisia's background—but there are risks attendant. We have already committed about £1.5 million of the original £5 million of the Arab partnership initiative to work in capacity building, strengthening political institutions and other such issues as we head towards the election. There will be more money available through the partnership, but we are also looking to swap expertise and help to build up the embryonic political parties in just the sort of areas in which the hon. Gentleman would expect us to be involved.

Mr Gary Streeter (South West Devon) (Con): I congratulate the Foreign Office on setting up the Arab partnership fund to enable the Westminster Foundation for Democracy and other participators to help the emerging political forces in Tunisia to march towards democracy. However, does my hon. Friend agree that it is also important not to overlook the moderate Arab states—Morocco, alongside Tunisia, and, a little further away, Jordan—which have not had a revolution but which are doing the right thing and moving towards democracy? We should be supporting them, too.

Alistair Burt: Yes, my hon. Friend is absolutely right, and we will do that. Relationships with both Morocco and Jordan are good. They appear to have put themselves ahead of the curve by responding to the aspirations of the people in what we would all consider to be an appropriate manner. We are looking to the WFD to deliver quite substantially on its obligations. Helping the political parties to develop is a heavy responsibility, but one in which the WFD can play an important part.

Naomi Long (Belfast East) (Alliance): The Minister will obviously also be aware of the growing humanitarian pressures at the border between Tunisia and Libya. What offers of assistance, either technical or financial, have been made to try to address the issues of clean water and access to sanitation in that area?

Alistair Burt: We are very conscious of those pressures. First and foremost, most of them are being absorbed by the Tunisian people themselves; indeed, it is remarkable how many families have taken into their own homes those fleeing from neighbouring Libya. However, DFID has also been at work providing exactly the support that the hon. Lady would expect from us. Millions of pounds have already been committed, and this support will continue to assist people.

Legal Fees (Offences Abroad)

9. **George Eustice** (Camborne and Redruth) (Con): In what circumstances his Department considers providing financial assistance for legal fees of British citizens charged with offences abroad. [59279]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): The Foreign and Commonwealth Office does not provide financial assistance for legal costs for British citizens arrested overseas. We provide information about the local legal system, including whether a legal aid scheme is available. We can also provide a list of local English-speaking lawyers, and we work with non-governmental organisations that might be able to offer support.

George Eustice: The Minister will be aware of the plight of my constituent, Stephen Scarlett, who remains in prison in Senegal despite the fact that his sentence ended in February. His family have been unable to get any financial support from the Foreign Office to help them to navigate the local legal system. Does the Minister agree that, in such extreme cases, the needs of such people are the most acute of all? Will he look into providing financial assistance in this case so that Mr Scarlett can be reunited with his family?

Mr Browne: I understand the distress felt by Mr Scarlett and his family over the length of time that it is taking to resolve his case. He has been assisted by the British embassy in Dakar, and by the Foreign and Commonwealth Office as a whole. However, the responsibility for ensuring that he receives the best possible outcome rests with his lawyer. I can add that the Foreign and Commonwealth Office supports and part-funds three groups: Prisoners Abroad, Reprieve and Fair Trials International, all of which assist British citizens. We are aware that Fair Trials International has offered its services to Mr Scarlett's family.

Middle East (Business Initiatives)

10. **Michael Dugher** (Barnsley East) (Lab): What support his Department is providing to co-existence projects and joint business initiatives between Israelis and Palestinians. [59280]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): The Department for International Development spends about £73 million in Israel and the occupied Palestinian territories on a range of measures to promote peace through the conflict prevention pool and on economic development. The Foreign Office is spending some £70,000 this year on the kind of co-existence projects that the hon. Gentleman has mentioned, ranging from language development to courses and work inside Israel to help to bind communities together.

Michael Dugher: According to answers to written questions in January, only 1% of European Union aid to the Palestinians goes to civil society projects. What are the Government doing to ensure that a greater proportion of EU aid is spent on developing the co-existence projects that are so vital to the peace process?

Alistair Burt: The hon. Gentleman is right about the proportion spent, which I picked out for the answer that I have just given him. Sometimes it is difficult to separate these things out, category by category. For example, the £30 million that goes into the promotion of Palestinian economic development feeds into work on prosperity and co-existence issues. The Foreign and Commonwealth

Office is open to more project applications coming in for exactly such projects, and I will certainly work with the posts involved, in Jerusalem and Tel Aviv, to see what more we can do to encourage the activities that the hon. Gentleman has mentioned.

Mr Andrew Turner (Isle of Wight) (Con): Will the Government make it clear to the Israeli Government that an attack on any future humanitarian flotilla would be met by international condemnation?

Mr Speaker: May I gently remind the Minister that we are talking, narrowly, about co-existence projects and joint business initiatives?

Alistair Burt: I believe that I would be right in saying that we see events such as the reopening of the Rafah crossing in Gaza as an opportunity to help economic development and to encourage co-existence, because the greater the economic development on the west bank and in Gaza, the more opportunity there will be for both, and the less need there will be for anyone to be tempted to try to use a flotilla as a means either of bringing in produce or of making a political point.

Corporations (Conflict Zones)

11. **Grahame M. Morris** (Easington) (Lab): What steps he is taking to increase international legal protection for those affected by corporate abuses in conflict zones. [59281]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): The Government totally deplore any company anywhere in the world that ignores human rights. It is especially important that companies set the highest possible standards when operating in failed states or conflict zones. That is why we support the excellent work being carried out by Professor John Ruggie, the United Nations expert on business and human rights. We particularly welcome the final version of his guiding principles, which deals with this subject.

Grahame M. Morris: I am grateful to the Minister for that reply, but will he go just a little further? Given the effect that legal protections could have on the lives of ordinary people in countries such as Peru, Indonesia, Mexico and even the Israeli-occupied Palestinian territories, where there have been cases of abuse, torture and even killings when citizens have protested against large-scale private sector projects, will the Government confirm that they are supporting Professor Ruggie's recommendation that the UK Government explore additional legal protections for victims of corporate abuse in conflict zones?

Mr Bellingham: I had the chance to meet Professor John Ruggie the other day, and I am working hard to ensure that the guiding principles are incorporated and endorsed by the UN Human Rights Council in Geneva, as that would provide extra clout and credibility.

Afghanistan

13. **Owen Smith** (Pontypridd) (Lab): What recent discussions he has had with his US counterpart on the political situation in Afghanistan. [59283]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I last met Secretary Clinton on the eve of President Obama's state visit. We had a productive discussion on a range of issues, including the political situation in Afghanistan.

Owen Smith: I am grateful for that answer. Will the Foreign Secretary tell us whether those discussions also touched on the prospect of British troops remaining in Afghanistan post-2014, and if so, how many and with what remit exactly?

Mr Hague: Yes, such matters were included in our talks, but they are also a matter of our public policy position. As we have said, British troops will not be engaged in a combat role after 2015 or in anything like the numbers that are involved today. We have set out our intentions in line with the prospects and aims for transition to Afghan security control throughout Afghanistan by 2014.

Dr Julian Lewis (New Forest East) (Con): Given that it is highly unusual to set a withdrawal date in the middle of a counter-insurgency campaign, has my right hon. Friend received any indication from the Americans that they are considering the retention of a long-term strategic base or bridgehead area in the region so that real pressure can be exerted on both sides to reach an appropriate settlement?

Mr Hague: The long-term relationship—after the insurgency and after the transition in 2014—between the United States and Afghanistan is subject to negotiation at the moment between those countries, so it is not possible to give a precise answer to my hon. Friend now, but it is possible to say that such matters are under discussion.

Keith Vaz (Leicester East) (Lab): Last week, members of the Home Affairs Committee visited the border of Greece and Turkey and the detention centre at Filakio, where we were told that 50,000 Afghanis had crossed the border between Turkey and Greece last year. In his discussions with the Americans, will the Foreign Secretary talk about the mass migration—the illegal migration—of hundreds of thousands of Afghanis from Afghanistan into western Europe?

Mr Hague: The right hon. Gentleman makes an important point, which underlines the need to bring stability to Afghanistan in the future so that those who wish to be in the country can have their homes and livelihoods there. I will certainly give attention to his point.

Mr John Baron (Basildon and Billericay) (Con): Given that the Taliban will not be beaten and that the situation does not seem to be getting any better, despite the surge, may I press on the Foreign Secretary again the need for the Americans to open meaningful, non-conditional talks with the Taliban, because the Americans need to realise that, as we proved in Northern Ireland, it is possible to talk and fight at the same time?

Mr Hague: Yes, I think that point is well understood. In her speech of 18 February, Secretary Clinton called for a political surge alongside the military surge. That is

very much in line with our country's approach, so that is of course the case. At the same time, another thing that is changing, for which my hon. Friend should give credit, is the huge expansion and intensive training of the Afghan national security forces. That bodes well for the longer term.

Syria

14. **Mark Menzies** (Fylde) (Con): What recent reports he has received on Syrian protests on the borders of Israel; and if he will make a statement. [59284]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): We are deeply concerned by reports that a number of protesters have been killed and others injured. We recognise Israel's right to defend herself. Any response must be proportionate, avoiding lethal use of force unless absolutely necessary, and the right to protest should be respected. I call on all parties to do everything they can to protect the lives of civilians and to avoid provocative acts.

Mark Menzies: I thank the Foreign Secretary for his answer, but what does this incident tell us about wider foreign involvement in Syria and the Syrian Government's handling of protest and unrest?

Mr Hague: I am not sure what this incident in itself tells us about international involvement in Syria. I certainly believe that Iran is engaged in giving direct support—both advice and technical equipment—to Syria in the suppression of the peaceful protest, which is an extraordinarily hypocritical position given Iran's support for protests elsewhere in the Arab world. I cannot say that that is connected with this particular incident, but since the area on the other side of the Golan heights is under the direct control of the Syrian authorities, people can draw their own conclusions.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the Foreign Secretary agree that the recent incidents on the Syrian-Israeli border were organised by the Syrian Government in an attempt to distract attention from the brutal way in which they are dealing with their own internal rebellions?

Mr Hague: I do not want to add to what I said a moment ago about that. It is a remarkably convenient distraction from the point of view of the Syrian Government. The position requires both sides—Israel in its response to such provocations, and Syria in any role that it may play in such provocations—to exercise much greater restraint.

Richard Burden (Birmingham, Northfield) (Lab): On a point of fact, have there been any Syrian protests on the Israeli border? I thought that the protests were in the Golan heights, which, last time I looked, were Syrian territory illegally occupied by Israel.

Mr Hague: The Golan heights are occupied territory, but no one can dispute the fact that the territory on the other side is unequivocally under the operational control of Syria. That is the point I am making.

Libya

15. **Mr Marcus Jones** (Nuneaton) (Con): What recent assessment he has made of the political situation in Libya; and if he will make a statement. [59285]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): When I went to Benghazi I was impressed by the progress being made, by the sense of optimism, and by the belief in a democratic future that I heard about from ordinary Libyans and the leaders of the national transitional council. The Gaddafi regime is isolated and on the defensive, and, through a combination of military, economic and diplomatic means, we are ramping up the pressure for a genuine political solution for the Libyan people.

Mr Jones: Does the Foreign Secretary not agree that further defections from the highest level of the Gaddafi regime, further loss of ground to the opposition forces, and the growing authority of the national transitional council all point to an inexorable squeeze on the regime?

Mr Hague: My hon. Friend sums up the situation very well. All those are indeed increasing pressures on the regime. The high-level defectors included a number of generals and the head of the state-owned National Oil Corporation, and we have reason to believe that many others would defect if they could do so safely, or if their families would not be under threat if they did so. Certainly the morale of the regime is much lower than it was some weeks or months ago, and, as I saw myself, the morale and organisation of the national transitional council have improved considerably.

Jeremy Corbyn (Islington North) (Lab): Will the Foreign Secretary confirm once and for all that the purpose of Britain's military, economic and political involvement in Libya is regime change? Will he also confirm that, for that reason, it has been impossible for any traction to be applied by the European Union, NATO or Britain to bring about an urgently needed political solution and a ceasefire to prevent any more lives from being lost, before the war gets worse?

Mr Hague: Our military role is defined by United Nations Security Council resolution 1973, and it is our implementation of that resolution that has saved thousands of lives. I know that the hon. Gentleman is an opponent of the resolution, but if we had not had it, far, far more people would have died than have done thus far in the situation in Libya. It is, additionally, true that we believe Colonel Gaddafi should go, but that is the belief of the vast majority of nations in the world—even many around Africa now, and even Russia at the G8 summit—and, judging from what I saw in Benghazi, it is the belief of a vast number of Libyans as well.

Syria

16. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent reports he has received on the use of violence against pro-democracy protesters by the Syrian Government; and if he will make a statement. [59286]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The Syrian Government continue to use unacceptable violence against pro-democracy protesters. Syrian security forces have launched an offensive against Jisr al-Shughour and neighbouring villages. There are reports of a military build-up in other towns in Syria, including, overnight, Deir ez-Zur in eastern Syria. There are credible reports that more than 1,000 people have been killed since the beginning of the protests. The violence is unacceptable, and it should stop.

Diana Johnson: Has there been any progress in giving the Red Cross access to civilians who have been attacked by the military in Syria?

Mr Hague: That is a good question. Sadly, the answer is no. My right hon. Friend the Secretary of State for International Development discussed the matter directly with the president of the International Committee of the Red Cross a few days ago. One of the things that we have called on the Syrian Government to grant is humanitarian access, which remains a prime consideration in Syria. I will discuss tonight with the Turkish Foreign Minister what further work can be done with Turkey—Syria's closest and, perhaps, most important neighbour in terms of diplomatic relationships—to try to persuade the Syrians to grant such access.

Japan

17. **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): What recent assessment he has made of the state of bilateral relations with Japan; and if he will make a statement. [59287]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): The United Kingdom has a strong and broad bilateral relationship with Japan, encompassing long-standing commercial, cultural and official ties. These relations have been enhanced in recent months with the visit of the Japanese Foreign Minister to London and the Business Secretary to Japan. I also plan to visit Japan next month to develop the relationship further.

Tom Blenkinsop: I thank the Minister for his response. Will he update the House on what the UK Government are doing to support British businesses that work in, and with, Japan, and particularly to ensure that supply chains operate effectively?

Mr Browne: The hon. Gentleman makes an extremely valuable point, because there are literally hundreds of thousands of people in Britain whose jobs depend either directly or indirectly on direct inward investment from Japan, and about 17,000 Britons work in Japan. We therefore constantly turn our attention to how we can deepen the commercial relations between our two countries, which are, after all, the third and sixth biggest economies in the world, so this is crucial to the prosperity of our country.

Topical Questions

T1. [59296] **Stephen Hammond** (Wimbledon) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): In addition to the many situations we have already discussed, I am deeply concerned by the worsening situation in Sudan. We call upon all parties to cease hostilities and return to negotiations, and to allow full humanitarian access. We are working very closely with the African Union to support the peace negotiations currently under way in Addis Ababa.

Stephen Hammond: Further to those remarks, when does the Secretary of State expect those negotiations to resume, and what further action do the British Government intend to take in this regard?

Mr Hague: Our special representative is intimately involved in those negotiations. A few days ago, I spoke to former President Mbeki, who is leading the conduct of the negotiations. In recent days, I have also spoken to President Kiir on the south Sudanese side and the Foreign Minister in Khartoum for the north, so we are highly active in trying to push for a solution, and that includes working with Ethiopia. It is not possible to say when the negotiations will resume, but real progress needs to be shown before 9 July, which is, of course, the date for the independence of South Sudan.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): The whole House will be aware of reports that more than 5,000 Syrian refugees have registered with officials on the Syria-Turkey border and that many more are poised to flee Syria. I welcome the statement the Foreign Secretary has just made, informing the House that this evening he will be speaking to the newly elected Turkish Government about the situation in Syria. How hard will he, as a friend of Turkey and its EU membership aspiration, be pressing for that country to step up its regional leadership role, particularly in relation to Syria?

Mr Hague: I will, of course, be doing that, and the Prime Minister has already spoken to the Prime Minister of Turkey since the Turkish election results on Sunday night. Turkey plays a strong leading regional role, and, despite its own election campaign, has made many efforts in recent weeks to persuade the Assad regime to adopt a different course. I am sure it will want to redouble its efforts now, given the worsening situation on its border, and I will strongly encourage it to do so, as well as take its advice about the wider international handling of Syria.

T5. [59300] **Jesse Norman** (Hereford and South Herefordshire) (Con): The whole House will share the concern felt by many British nationals at the spread of violence and unrest in the Sudan. Will the Minister therefore update us on the current situation?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): I certainly share my hon. Friend's concern about what is happening in Abyei, South Kordofan and Unity state. To add to what my right hon. Friend the Foreign Secretary said, we are keen to see action at P5—the permanent five—level and for the issue to be raised at the United Nations Security Council in the very near future, hopefully this week.

T2. [59297] **Kevin Brennan** (Cardiff West) (Lab): My constituent, Mr Jamal Teer, was evacuated from Libya as part of the British evacuation, along with his pregnant Libyan wife. They have now received a bill from the NHS for £1,255 for the birth of their child. Is this any way to treat a family fleeing Gaddafi, and will the Minister undertake to look into the matter with his ministerial colleagues here and in Wales?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I am clearly unaware of the precise circumstances described by the hon. Gentleman, although of course I will happily look into this matter. The case might be to do with regular UK status, and would therefore be hit by certain benefit regulations about being ordinarily resident in the United Kingdom. The decision might have more to do with that than anything else, but at this stage I would be very happy to look at the circumstances and see what can be done.

T6. [59301] **Laura Sandys** (South Thanet) (Con): What measures will we put in place to support the French at the G20 on food security? It is an issue that links foreign policy with prices in supermarkets for my constituents.

Mr Bellingham: We welcome the French presidency's aim to tackle high food prices through the G20. Since 2010, prices have pushed 44 million more people across the world into poverty and they are being driven fundamentally by a shortage of supply and increased demand. I urge countries such as Sudan and Zimbabwe, which used to be net exporters of food, to start producing food again, not least for their own people.

T3. [59298] **Mark Lazarowicz** (Edinburgh North and Leith) (Lab/Co-op): The Secretary of State will be aware of the case of my constituent, David Petrie, who is one of a number of British citizens who, for more than 20 years, have been trying to secure equal pay under their European rights in Italy. I understand that the Minister for Europe will meet his Italian counterparts in a few days' time. Will he take up this case again and try to bring the sorry saga to a conclusion?

The Minister for Europe (Mr David Lidington): Yes, I intend to visit Italy in the next week and this is certainly one of the items that will be on the agenda for discussion.

T7. [59303] **Rory Stewart** (Penrith and The Border) (Con): Will the Foreign Secretary please confirm the UK's policy on the use of Predator drones and, in particular, its legal and moral basis?

Mr Hague: Our policy is that the use of drones is a matter for the Governments of the United States and Pakistan.

T4. [59299] **Ian Lavery** (Wansbeck) (Lab): Will the Foreign Secretary join me in welcoming the release of the Iranian trade unionist, Mansour Osanloo? Despite this encouraging step, Iranian trade unionists Reza Shahabi and Ebrahim Madadi are still in jail in Iran simply for belonging to a trade union. Will the Foreign Secretary agree to meet me and other interested MPs on this issue?

Mr Hague: This is another example of the appalling human rights record of the Iranian Government. Either I or one of my ministerial colleagues will meet the hon. Gentleman, if that is acceptable to him. Iran's human rights record has deteriorated steadily, even throughout this year. There are more journalists in prison in Iran than in any other country. The two leading opposition leaders have been detained. It is an appalling record of human rights abuse and the hon. Gentleman gives just another one of those instances.

T8. [59304] **Geoffrey Clifton-Brown** (The Cotswolds) (Con): Will my right hon. Friend comment on the worrying situation in South Sudan and the considerable increase in violence in the disputed states of Abyei, South Kordofan and Unity, which are of course the subject of talks today in Addis Ababa between the Presidents of north and South Sudan, the former President of South Africa and the President of Ethiopia?

Mr Bellingham: I certainly share my hon. Friend's concern. That is why we have called on all parties to end this violence, to respect their humanitarian responsibilities and to allow access to urgently needed international assistance. It is essential they take action and do so immediately.

Katy Clark (North Ayrshire and Arran) (Lab): The Minister will be aware of the legislation passed in March in Egypt restricting the right to strike and criminalising protests. Will the Government raise concerns with the Egyptian authorities about restrictions on the right to protest and to take part in industrial action?

Mr Hague: This is the kind of issue that I discussed with Egyptian authorities on my visit to Cairo last week. Clearly, we want to see a much more normal state of affairs in Egypt. We hope that the onset of elections and greater political freedom will bring that about. People having basic rights, including those to which the hon. Lady refers, is an important part of that.

Jo Swinson (East Dunbartonshire) (LD): Europe stands united in condemnation of the atrocities perpetrated by the Syrian regime, but progress in getting the Security Council similarly to declare condemnation of these abuses is frustratingly slow. The support of countries such as Brazil, South Africa and India could reduce the likelihood of a Russian or Chinese veto, which highlights the importance of these emerging powers. What steps are the Government taking to strengthen further the ties between Britain and the emerging powers, in terms not just of trade but of shared interests, such as human rights?

Mr Hague: My hon. Friend is absolutely right to draw the wider conclusion about the need to elevate these bilateral relationships. A good example of that is the UK-South Africa bilateral forum that we held here in London on Thursday, which included four South African Ministers discussing with their counterparts from the UK a whole range of issues and emphasising in particular the shared values between our country and a country such as South Africa. We will take forward that work energetically in the years ahead.

T9. [59305] **Clive Efford** (Eltham) (Lab): Last week, many of us met constituents who took the time to have tea with us and discuss overseas aid. Many Members of Parliament have been concerned for many years about aid in return for trade. Will the Secretary of State confirm that his Department would never get involved in negotiations about overseas aid, in line with the commitment to give 0.7% of gross domestic product in overseas aid, in return for the privatisation of public utilities or contracts for British companies?

Mr Hague: The hon. Gentleman might want to ask this question at International Development questions to get the authoritative answer. As he knows, across the House we are in favour of giving development aid on its merits and not for the kind of deals or arrangements that he talks about.

Richard Fuller (Bedford) (Con): The recent elections in Nigeria exceeded international expectations as a fair process and a true democratic choice. Will the Minister encourage the Nigerian Government to extend that in the business sphere by tackling corruption and supporting a pro-entrepreneurship agenda, as that is the best way to secure a true and economic future for the Nigerian people?

Mr Bellingham: I had the opportunity of representing Her Majesty's Government at President Goodluck Jonathan's inauguration in Abuja last month and I was very struck by his determination to root out corruption, to lift the burdens on business and, above all else, to put in place a road map for oil and power sector reform.

Mr Nigel Dodds (Belfast North) (DUP): Can the Minister update the House on the progress that has been made in getting Palestinian leaders, including in Hamas, to recognise the right of the state of Israel to exist?

Mr Hague: Clearly, at the moment Hamas does not recognise the right of Israel to exist. Hamas will remain a proscribed organisation from our point of view until it commits itself to a negotiated solution and a peaceful approach. The criteria that we apply to the new Palestinian Authority are those that I set out to the House earlier and last week, including accepting the previous agreements of the Palestine Liberation Organisation.

Mr Dominic Raab (Esher and Walton) (Con): What discussions were had with President Obama when he was here concerning recent US calls for negotiation on the sovereignty of the Falkland Islands? Was he persuaded to support democracy in the south Atlantic as well as in the middle east?

Mr Hague: There was no discussion about the Falkland Islands with President Obama on his recent visit. The UK's position remains absolutely the same as it has been under successive Governments since 1982 and it will not change.

Fiona O'Donnell (East Lothian) (Lab): Ahead of Channel 4's screening this evening of "Sri Lanka's Killing Fields", what recent assessment have the Secretary of State or Ministers made of the credibility of the Sri Lankan Government's lessons learned and reconciliation commission and its new deadline to report in November this year?[1]

Alistair Burt: I spoke this morning to the Foreign Secretary of Sri Lanka, who had the opportunity to update me on some positive measures that were being taken in relation to Jaffna. I was in a position to remind him of the importance of having a credible and independent investigation of the various allegations that are now very much on the table from the United Nations and others. It is essential that those are dealt with. We note the new timetable for the LLRC to report in November, but, however long this takes, it will not be possible for Sri Lanka to move forward unless it has addressed some of the horrors of the past.

Greg Hands (Chelsea and Fulham) (Con): Returning to the western Balkans, the Foreign Secretary will be aware of the large and growing Serbian expatriate community in London. What positive message can we send to them about the prospect of visa requirements being eased in future and about how and when Serbia could eventually join the European Union?

Mr Lidington: As my hon. Friend knows, British visa requirements are a matter for the Home Office, and Serbia's wish for visa liberalisation will be considered by Home Office Ministers when they next review the visa waiver scheme. I think that the message to Serbia is that this country strongly supports its ambitions to join the European Union and wishes President Tadic every success in taking through the very demanding programme of reforms that will be needed for it to meet the conditions for entry.

Several hon. Members *rose—*

Mr Speaker: Order. We are very time-constrained. Brevity is of the essence.

Mike Gapes (Ilford South) (Lab/Co-op): Is the Foreign Secretary aware of why his German counterpart went to Benghazi and said that the German Government were now recognising the transitional Government there? Does that represent a welcome shift in Germany's position, given that the Germans abstained on Security Council resolution 1973 and opposed NATO action?

Mr Hague: Actually, Germany has been supportive of what we have been doing. Although, as the hon. Gentleman points out, Germany abstained in the Security Council in March, it has since then been part of the contact group, and the German Foreign Minister, Guido Westerwelle, attended the London conference that I hosted at the end of March. Although Germany has not made a military contribution to the NATO effort, it has been helpful in many other ways and given political support to what we are doing. What the hon. Gentleman points out is further evidence of that consistent approach.

Mr Robert Buckland (South Swindon) (Con): In far too many parts of the world, freedom of religion and belief either does not exist or is being severely undermined. Will my right hon. Friend establish a commission on freedom of religious belief to advise the Government on these important issues?

1. *[Official Report, 16 June 2011, Vol. 529, c. 9-10MC.]*

Mr Hague: I have already established a human rights advisory group, and at its second meeting last week we had a specific discussion about that very subject—freedom of religion and freedom of worship. The Foreign Office paper for that discussion will be discussed at a Wilton Park conference to be held shortly. This is a vitally important subject in which the Foreign Office and many other people are now engaged.

Ann Clwyd (Cynon Valley) (Lab): The Foreign Secretary said that he had a conversation with the Crown Prince of Bahrain and that he is in favour of dialogue. It is all very well saying that, both here and in the United States, but at the same time the Government in Bahrain are crushing dissidents and locking up the people who should be part of the dialogue.

Mr Hague: The right hon. Lady makes a very powerful point. The point I make in return is that, yes, we should be highly critical and condemn human rights abuses in Bahrain, but it is very important for us to play what role we can in encouraging the most constructive and moderate figures on both sides of the sectarian divide in Bahrain to make a success of the national dialogue that is now meant to resume on 1 July. The Crown Prince made a sincere effort in that dialogue at the beginning of the crisis, and I should like to see the moderate members of the regime do so again.

Several hon. Members *rose—*

Mr Speaker: Order. As usual, interest has exceeded the time available and we must now move on.

Waste Review

3.32 pm

Mr Jamie Reed (Copeland) (Lab) *(Urgent Question)*: To ask the Secretary of State if she will make a statement on the waste review in England.

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Apropos of the written ministerial statement listed on today's Order Paper, I have laid in the Library copies of the waste review, to which we received 1,800 responses.

The Government's waste review has looked at all aspects of waste policy and delivery in England. We want to make it easier for people to do the right thing and recycle more, so today's review is good news for householders, businesses, councils and industry.

We will make it easier for people to recycle, and we will tackle measures introduced by the previous Government that encouraged councils specifically to cut the scope of collections. We will remove the criminal sanctions applying to householders, so that households are not menaced for simple mistakes. We also propose to introduce a "harm to local amenity" test to tackle "neighbours from hell", ensuring that enforcement is targeted at those who deliberately and persistently break the law.

The review is good for business. We are abolishing landfill allowance trading schemes, because they create a perverse incentive for local authorities not to collect waste from business. We are giving them certainty about landfill tax; the escalator will move annually by £8 to a floor of £80 by 2015. We are announcing a voluntary agreement so that small and medium-sized enterprises can better access recycling services. We are providing business with a clear signal that energy from waste will be a key technology in the future.

Today's review is good for the environment. We will start consulting on restricting wood waste from landfill and go on to review the feasibility of bans on metal, textiles and biodegradable waste. We shall also consult on increased recycling targets, to 2017, for packaging waste.

The review changes the way we look at waste by unlocking the economic opportunities for transforming waste into resource. We have set out a clear direction for cutting landfill, preventing waste and increasing recycling.

Mr Reed: That is barely credible, and it is no wonder that DEFRA is rapidly being seen as the equivalent of the mad woman in the attic. As usual, today's announcement was spun to the media before it was laid before Parliament. Among the spin was yet another broken promise, this time on weekly bin collections. The Secretaries of State for both DEFRA and Communities and Local Government spent their time in opposition promising the public that weekly bin collections would be introduced, but today we discover that this is not the case. Before the election the Secretary of State for Communities and Local Government said, to much acclaim from his own party:

"It's a basic right"—

I emphasise the words "a basic right"—

"for every English man and woman to be able to put the remnants of their chicken tikka masala in their bin without having to wait a fortnight for it to be collected."

Perhaps the Secretary of State can explain why the Government's position has changed. Is she happy that the waste review contains no recycling targets at all for England, and that the UK's recycling commitments under the European Union's waste framework directive will therefore be met on the backs of recycling targets in Wales, Northern Ireland and Scotland? Is that right?

Will the right hon. Lady also tell us why she chose, on becoming Secretary of State, to abandon the Labour Government's consultation on stopping wood going to landfill, only to waste a year and today reintroduce it? Instead of taking the chance to boost recycling, reduce waste and create jobs, the Government have abandoned Labour's target of moving to a zero waste Britain. Under the previous Government recycling increased from 10% to 40%, but there is still more to do.

Today's announcement fails to establish a framework for the green growth that the country needs and through which thousands of green jobs could be created. The waste review is a huge missed opportunity that looks set to do little for our environment or our economy. The Secretary of State should explain why it took so long and looks set to deliver so little.

Mrs Spelman: First, I wish to make it clear that the written ministerial statement was available to Members before I spoke to the Chartered Institution of Wastes Management. Of course the Government will work with all parties to increase recycling rates, but the recycling target is a European one of reducing waste by 50% by 2020. I am confident that we are on target. This is a devolved matter for the other nations.

It is a bit rich, coming from the Opposition, who had 13 years to get to grips with landfill. They could, if they had so wanted, have got on and banned wood, materials, textiles and metals. I fear that the Opposition are still in denial about the dreadful economic legacy that they left to the Government.

Finally, the hon. Gentleman asks about green growth. I have just spoken to the Chartered Institution of Wastes Management and shared with them the fact that we estimate that there will be a growth of 3% or 4% per annum in green jobs through the waste industry because of the positive framework that we are setting out to help people do what they want to do—the right thing: waste less and recycle more.

Miss Anne McIntosh (Thirsk and Malton) (Con): I welcome the statement that the Secretary of State laid before the House today. May I share with her the fact that the district council serving my part of north Yorkshire will be well on its way to meeting the target that she has set. There will obviously be some perverse implications from abolishing LATS—landfill allowance trading schemes—because rural communities have done very well out of that.

I welcome the fact that anaerobic digestion is to be increased. It deals primarily with waste food. What are the implications for other energy from waste facilities in the next few years?

Mrs Spelman: I thank the Chairman of the Environment, Food and Rural Affairs Committee for her warm welcome for the Government's waste review and her recognition that LATS fulfilled a role whose impact the landfill tax has largely overtaken in helping us reduce the amount that goes to landfill.

At the same time as publishing the waste review, I have published the Government's anaerobic digestion strategy. We see the future for anaerobic digestion as very important. The Select Committee Chairman makes an important point. It is not just food waste that can be used as a feedstock for anaerobic digestion, and we must be careful that food crops are not caught as feedstock for anaerobic digestion. We should be using waste.

Joan Ruddock (Lewisham, Deptford) (Lab): I suspect that the Communities Secretary eats rather more chicken tikka masala than the right hon. Lady. Does she agree that the chicken tikka masala remains would be much better put into a food collection than into a black sack? Will she make some progress on further recycling? What does she think of the Friends of the Earth target, which I very much support, of halving black sack waste by 2020?

Mrs Spelman: I have to feed teenagers who are rather partial to chicken tikka masala, and there is very little left at the end of the day. The Government will be working with local councils to increase the frequency and quality of rubbish collections and make it easier to recycle, to tackle measures that encourage councils specifically to cut the scope of collections and to support them where they wish to provide a weekly collection for smelly waste.

Andrew George (St Ives) (LD): I welcome the publication of the review today. Does my right hon. Friend agree that if we are to address the challenge of the regularity of waste collection, we need particularly to look at pages 58 onwards of the report in relation to the management of food waste? What will the Government be doing to reassure people that we will meet ambitious targets to reduce food waste going into the chain?

Mr Speaker: Order. I ask colleagues to ask short questions. There is a lot of interest and there is little time.

Mrs Spelman: I thank my hon. Friend for a question that obviously shows that he has read the review. He will know that it contains the startling fact that we waste £12 billion-worth of food a year, which we can ill afford to do. We need to work with all involved in food production and packaging to try to minimise the amount of food waste.

Mr Ben Bradshaw (Exeter) (Lab): Why is the right hon. Lady sparing the blushes of the Communities Secretary? Was it not always nonsense for a Government to pay lip service to localism but then to try to force local authorities to reintroduce weekly collections? Will she confirm that most of the local authorities that have alternate weekly collections are Conservative-controlled, and that there is a strong correlation between high recycling rates and alternate weekly collections?

Mrs Spelman: It is important to encourage councils to respond to what local people want and need. That is the very essence of localism. Therefore, we will proceed with a new commitment from councils to redouble their efforts to listen and respond to the wishes of their residents on refuse collection.

Mr John Redwood (Wokingham) (Con): Does the Secretary of State agree that it is unacceptable to have rotting food waste hanging around for up to two weeks in bins, and will she tell councils that she hopes that they will have at least weekly collections so that we do not have the danger and risk of that situation?

Mrs Spelman: I said in response to an earlier question from the right hon. Member for Lewisham, Deptford (Joan Ruddock) that we believe that it is important to support local authorities that want to provide a weekly collection of the smelly part of the waste, and DEFRA will make available £10 million to assist them in that.

Chris Leslie (Nottingham East) (Lab/Co-op): The Secretary of State is obviously quite adept at U-turns, but why is she so selfishly hanging on to this U-turn when she could have let the Communities Secretary make his very own U-turn today?

Mrs Spelman: I remind the hon. Gentleman that we are a coalition Government, a Government of two parties, and he might like to read the coalition agreement commitment that said the Government will

"work towards a 'zero waste' economy, encourage councils to pay people to recycle, and work to reduce littering."

There will also be measures to promote a huge increase in energy from waste through anaerobic digestion as set out in our review today.

Sir Paul Beresford (Mole Valley) (Con): I thank my right hon. Friend for her statement and for her flexibility, in contrast to my right hon. Friend the Member for Wokingham (Mr Redwood). My local authority works with the private sector and provides a two-weekly service, but a weekly food waste service. The key factor has been the flexibility of a good contract with the private sector. Does she agree that those local authorities that have been dogmatic about not using competitive tendering should think again?

Mrs Spelman: I agree with my hon. Friend that waste services are a matter for local authorities and that they should develop fit-for-purpose local solutions. However, the Government believe that better procurement and joint working can improve the efficiency of collections while improving the front-line service for the public in an affordable and practical manner.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Five years ago the Conservatives in Newcastle-under-Lyme made exactly the same promise on weekly collections and then promptly broke it. They then spent £2.5 million with their Liberal Democrat friends on a complicated recycling scheme with 10 different bins, boxes and bags, which has turned Newcastle into a curiosity. They now cannot afford to reinstate weekly collections—

Mr Speaker: Order. I did appeal for short questions.

Paul Farrelly: *rose—*

Mr Speaker: One sentence.

Paul Farrelly: Is the Government's pickle over this not reflective of—*[Interruption.]*

Mr Speaker: Order. I call the Secretary of State.

Mrs Spelman: The most important message is that the Government are trying to make it easier for people to do the right thing. Whether they are at home dealing with household refuse, at work or on the go, we need to make it easier for them to waste less and recycle more.

Ian Swales (Redcar) (LD): Does the Secretary of State accept that developing technologies can turn waste into biofuels and chemicals? Will she encourage such plans and support those currently being put forward by INEOS at Seal Sands on Teesside?

Mrs Spelman: I am not aware of the specific technology being developed by INEOS, but I would be delighted to learn more about it. It is important that we embrace all new technology. I have today mentioned anaerobic digestion, for which I have set out a strategy, but new technologies are coming on stream all the time to turn waste into resources and we should explore them all.

John Woodcock (Barrow and Furness) (Lab/Co-op): It is all very well hiding behind the language of local choice, but the Government promised that they would bring back weekly bin collections across the country. Will the Secretary of State apologise to families who have been led up the garden path by what she said?

Mrs Spelman: I have made it clear that the coalition consists of two parties that struck an agreement, including on provisions relating to waste, which we are fulfilling today. I have set that out very clearly.

Justin Tomlinson (North Swindon) (Con): In stark contrast to the strong-arm tactics of the previous Government, in what ways has the Secretary of State encouraged incentives to drive up recycling rates?

Mrs Spelman: Absolutely. This is such an important point. The previous Government, with their punitive approach, lost public confidence by punishing a little old lady for making the genuine mistake of putting the wrong waste in a recycling container. They lost the plot. Today, we are restoring a proportionate response to the penalties that should apply and are going after the real waste criminals.

Mr Kevan Jones (North Durham) (Lab): I am sorry that the right hon. Lady is acting as a human shield for the Secretary of State for Communities and Local Government—I have heard that no Liberal Democrat is available to do the job. One of the key issues at local level that encourages cleaner communities is the proper containerisation of waste, particularly trade and household waste. Will she confirm that the fines that councils can impose on businesses will be retained, and what does she suggest to a council—

Mr Speaker: Order. I am grateful.

Mrs Spelman: There were perverse incentives in the regime in place under the previous Government. As I have mentioned, LATS actually deterred the collection and recycling of business waste, so their abolition, which was a coalition agreement commitment, will re-incentivise councils to collect and recycle more business waste. We want to help to make it easier for small and medium-sized enterprises, in particular, to benefit.

Dr Thérèse Coffey (Suffolk Coastal) (Con): In contrast to Cumbria's recycling rate of 37%, Suffolk's is more than 60%, no doubt helped by regular weekly food waste collections. We are also giving planning permission for anaerobic digestion. Will the Secretary of State work with me to ensure that the Department of Energy and Climate Change gets through those issues so that more such facilities are available across the country?

Mrs Spelman: It is right to applaud householders and the way they have actively become involved in trying to increase recycling rates. That is what people want to do, and the Government's job is to make it easier for them, including through food waste collections if that is what local people want. I have already said that we will support authorities that do that and I will work with DECC to make that easier.

Bill Esterson (Sefton Central) (Lab): If the cuts mean that councils cannot collect rubbish once a week, what chance is there for the NHS or other services?

Mrs Spelman: I am not the Secretary of State for Health, but I think that the hon. Gentleman, just like everyone in his party, is still in a complete state of denial about the mess in which it left the nation's finances.

Mrs Anne Main (St Albans) (Con): I welcome the fact that small businesses can now have their collected waste count towards recycling targets. Will my right hon. Friend therefore lobby her friends in DECC in the hope of introducing a renewables obligation certificate for recycled cooking oil that could be used as a biofuel?

Mrs Spelman: I will of course discuss that possibility with DECC. The DCLG, DECC and the Department for Business, Innovation and Skills work together very closely, and that is helpful in drawing together this review.

Mr Andrew Love (Edmonton) (Lab/Co-op): I have the largest incinerator in the country in my constituency, and it reaches the end of its useful life in 2014. The replacement anaerobic digestion plant was cancelled because private finance initiative credits were withdrawn. What reassurance can you give to my constituents that your strategy will lead to the ending of incineration in my constituency?

Mr Speaker: Order. I have no strategy on this matter, but the Secretary of State might.

Mrs Spelman: I have made it clear that energy from waste has its place in turning waste into resources. I have also made it crystal clear today that the Government are committed to helping local authorities that want to use anaerobic digestion, and we will make funds available to achieve that.

Harriett Baldwin (West Worcestershire) (Con): Will the Secretary of State congratulate Malvern Hills district council and Wychavon district council? The former

kept weekly bin collections, the latter moved to two-weekly bin collections, and both were recently soundly re-elected as Conservative councils for a further four-year term.

Mrs Spelman: That demonstrates that good local authorities that respond to the wishes and needs of their residents and supply refuse collection services of good quality and sufficient frequency receive their reward through the ballot box and are returned to office.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): In the Secretary of State's opinion, does the Prime Minister require a weekly bin collection to dump rubbish policies such as the NHS reforms?

Mrs Spelman: I do not think that that is a proper question about the waste review. The Prime Minister enjoys a very good refuse collection service in his Oxfordshire constituency.

Vernon Coaker (Gedling) (Lab): If the Secretary of State wants to meet her waste targets and tackle recycling, why has the availability of feed-in tariffs been reduced?

Mrs Spelman: That is more accurately a question for DECC, and I suggest that the hon. Gentleman addresses his question to a Minister from that Department.

NHS Future Forum

3.53 pm

The Secretary of State for Health (Mr Andrew Lansley): With permission, Mr Speaker, and further to the written ministerial statement I laid in the House earlier today, I wish to make a statement on the Government's response to the NHS Future Forum.

We established the independent Future Forum on 6 April, under the chairmanship of Professor Steve Field, to look again at our proposals on the modernisation of the NHS. Yesterday it published its report and recommendations. I would like to thank Professor Field and his 44 senior colleagues from across health and social care who have worked so hard these past eight weeks. I would also like to thank more than 8,000 members of the public, health professionals and representatives from some 250 stakeholder organisations who attended some 250 events across the country—and also the tens of thousands who wrote to us with their views. I want also, if I may, to thank the many officials in my Department who supported this unprecedented engagement across the country.

Two months ago, I said to the House that we would pause, listen, reflect and improve our plans. Our commitment to engage and improve the Bill has been genuine and has been rewarded with an independent, expert and immensely valuable report and recommendations from the Future Forum. I can tell the House that we will ask the forum to continue its work, including looking at the implementation of proposals in areas including education and training and public health.

In his report, Professor Field set out clearly that the NHS must change if it is to respond to challenges and realise the opportunities of more preventive, personalised, integrated and effective care. The forum said that the principles of NHS modernisation were supported: to put patients at the heart of care, to focus on quality and outcomes for patients, and to give clinicians a central role in commissioning health services.

The forum set out to make proposals for improving the Bill and its implementation, to provide reassurance and safeguards, and to recommend changes where needed. As Professor Field put it, it did this not to resist change, but to embrace it, guided by the values of the NHS and a relentless focus on the provision of high-quality care and improved outcomes for patients.

We accept the NHS Future Forum's core recommendations. We will make significant changes to implement those recommendations and, in some cases, offer further specific assurances that have been sought. There are many proposed changes and we will publish a more detailed response shortly. However, I would now like to tell the House some of the main changes that we will make.

The Bill will make it clear that the Secretary of State has a duty to promote a comprehensive health service, as in the National Health Service Act 1946, and is accountable for securing its provision and for the oversight of the national bodies charged with doing so. We will also place duties on the Secretary of State to maintain a system for professional education and training within the health service, and to promote research.

One of the most vital areas of modernisation to get right is the commissioning of local services. For commissioning to be effective, the process of designing

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services must draw on a wide range of people, including clinicians, patients and patient groups, carers and charities. We will amend the Bill so that the governing body of every clinical commissioning group will have at least two lay members, one focusing on public and patient involvement and the other overseeing key elements of governance, such as audit, remuneration and managing conflicts of interest. Although we should not centrally prescribe the make-up of the governing body, it will have to include at least one registered nurse and one secondary care specialist doctor. To avoid any potential conflict of interest, neither should be employed by a local health provider. The governing bodies will meet in public and publish their minutes. The clinical commissioning groups will also have to publish details of all their contracts with health service providers.

To support commissioning, the independent NHS commissioning board will host "clinical senates", which will provide expert advice on the shape and fit of health care across wider areas of the country. Existing clinical networks will be developed and will advise on how specific services, such as those for cancer, stroke or mental health, can be better designed to provide integrated and effective care.

Building on that multi-professional involvement, clinical commissioning groups will have a duty to promote integrated health and social care with regard to the needs of their users. To encourage greater integration between social care and public health, the boundaries of clinical commissioning groups should not normally cross those of local authorities. If they do, clinical commissioning groups will need to demonstrate to the NHS commissioning board a clear rationale for doing so in terms of benefit to patients.

I have always said that I want there to be "no decision about me, without me" for patients when it comes to their care. The same—*[Interruption.]*

Mr Speaker: Order. Let us hear the Secretary of State's statement with some courtesy.

Mr Lansley: Thank you very much, Mr Speaker.

We will further clarify the duties on the NHS commissioning board and clinical commissioning groups to involve patients, carers and the public. Commissioning groups will have to consult the public on their annual commissioning plans and involve them in any changes that would affect patient services.

One of the main ways in which patients will influence the NHS is through the exercise of informed choice. We will amend the Bill to strengthen and emphasise the commissioners' duty to promote patient choice. The choice of any qualified provider will be limited to areas where there is a national or local tariff, ensuring that competition is based solely on quality. The tariff development, alongside a best-value approach to tendered services, will safeguard against cherry-picking.

Monitor's core duty will be to protect and promote the interests of patients. We will remove its duty to promote competition as though that were an end in itself. Instead, it will be under a duty to support services integrated around the needs of patients and the continuous improvement of quality. It will have a power to tackle specific abuses and restrictions of competition that act against patients' interests. Competition will be a means by which NHS commissioners are able to improve the quality of services for patients.

We will keep the existing competition rules introduced by the last Government—the so-styled "Principles and rules for co-operation and competition"—and give them a firmer statutory underpinning. The co-operation and competition panel, which oversees the rules, will transfer to Monitor and retain its distinct identity. We will also amend the Bill to make it illegal for the Secretary of State or the regulator to encourage the growth of one type of provider over another. There must be a level playing field.

We will strengthen the role of health and wellbeing boards in local councils, ensuring that they are involved throughout the commissioning process and that local health service plans are aligned with local health and wellbeing strategies.

In a number of areas, we will make the timetable for change more flexible to ensure that no one is forced to take on new responsibilities before they are ready, while enabling those who are ready to make faster progress. If any of the remaining NHS trusts cannot meet foundation trust criteria by 2014, we will support them to achieve that subsequently. However, all NHS trusts will be required to become foundation trusts as soon as clinically feasible, with an agreed deadline for each trust.

We will ensure a safe and robust transition for the education and training system. It is vital that change is introduced carefully and without creating instability, and we will take the time to get it right, as the Future Forum has recommended. During the transition, we will retain postgraduate deaneries and give them a clear home within the NHS family.

The extension of "any qualified provider" will be phased carefully to reflect and support the availability of choice for patients. Strategic health authorities and primary care trusts will cease to exist in April 2013. By that date, all GP practices will be members of either a fully or partly authorised clinical commissioning group, or one in shadow form. There will be no two-tier NHS.

However, individual clinical commissioning groups will not be authorised to take over any part of the commissioning budget until they are ready to do so. Individual GPs need not take managerial responsibility in a commissioning group if they do not want to, and April 2013 will not be a "drop dead" date for the new commissioners. Where a clinical commissioning group is not able to take on some or all aspects of commissioning, the local arms of the NHS commissioning board will commission on its behalf. Those groups that are keen to press on will not in any way be prevented from becoming fully authorised as soon as they are ready.

I told the House on 4 April that we would secure proper scrutiny for any changes that we made to the Bill. In order to do that without trespassing on the House's time to review the Bill as a whole on Report, we will ask the House to recommit the relevant parts of the Bill to a Public Bill Committee shortly.

Through the recommendations of the NHS Future Forum and our response, we have demonstrated our willingness to listen and to improve our plans; to make big changes, and not to abandon the principles of reform, which the forum itself said were supported

across the service. However, we are clear that the NHS is too important, and modernisation too vital, for us not to be sure of getting the legislation right. The service can adapt and improve as we modernise and change, but the legislation cannot be continuously changed. On the contrary, it must be an enduring structure and statement, so it must reflect our commitment to the NHS constitution and values and incorporate the safeguards and accountabilities that we require. It must protect and enhance patients' rights and services, and it must be crystal clear about the duties and priorities that we will expect of all NHS bodies and local government in the future.

Professor Field's report says that it is time for the pause to end. Strengthened by the forum's report and recommendations, we will now ask the House to re-engage with delivering the changes and modernisation that the NHS needs. I commend this statement to the House.

John Healey (Wentworth and Dearne) (Lab): I thank the Secretary of State for an advance copy of his statement, although I learned more from the Prime Minister's press conference than from the statement.

Humiliating! The Health Secretary has had health policy taken out of his hands. He spent the last nine months telling anyone who criticised the Government's health plans that they were wrong, and that they did not understand. Today, he admits that he is wrong. How can he argue for this latest blueprint for the biggest reorganisation in NHS history with any credibility or integrity? The man who messed up so badly last year is telling us how he will mess up next year too.

Why no apology to NHS patients and staff for the wasted year of chaos, confusion and incompetence? Why no apology for breaking the coalition agreement to stop top-down reorganisations? Why no apology for patients, who are already beginning to see the NHS go backwards again because of this reorganisation? More than one in 10 people now waits 18 weeks for operations, three times the number of patients wait more than six weeks for tests, and casualty waits are at a six-year high.

This is the first Prime Minister who has been forced to ask 45 experts for a report on how to protect the NHS from his own Government's policies. Now he is reorganising his reorganisation. The Future Forum report yesterday was a demolition job on the Government's misjudgments and mishandling of the health service. Why is he wasting £800 million on redundancy payments when some of the same people will be re-hired to do the same job? Why is he holding back £2 billion promised for patient care when it could fund 55,000 nurses? Why is he ploughing on with the Health and Social Care Bill when what he announced today could largely be done without legislation, and certainly without the risk and cost of the biggest reorganisation in NHS history?

This is a political fix, not a proper plan for improving care for patients, or for a better or more efficient NHS that can meet the big challenges that it must face for the future. Make no mistake, today's plans will mean that the NHS is mired in more complex bureaucracy, more confusion and more wasted cost in the years to come. In the battle of spin, with all parts of the divided Government claiming a win, the big losers will be NHS patients. The Opposition and the public will judge the Government on what they do, not on what they say.

I lost track of the bureaucracy that the Health Secretary announced in his statement. Will he admit that this reorganisation creates five new national quangos, set to spend tens of billions of pounds? Will he admit that this reorganisation replaces one local body—the primary care trust—with at least five others, all of which will play a part in commissioning? Will he admit that the plans still cut hospitals loose from the NHS, with no limits on treating private patients while NHS patients wait longer, and no support from the NHS if they run into financial trouble? Will he admit that hospitals will no longer have the protection as a public service from the full force of competition law?

What was a very bad Bill will still be a bad Bill. This House should be allowed to do its proper democratic job, as the only elected House, and scrutinise in full in Committee the whole Bill. At its heart, the Bill will still be the Tory long-term plan to see the NHS set up as a full-scale market, and the NHS broken up as a national public service, so that patients increasingly see the services on which they depend subject to the lottery of where they live.

The public have rumbled the Prime Minister. They know that they cannot trust him with the NHS. Fewer than one in four now trusts him to keep his NHS promises, and more than half believe that the Conservative party's plans for the NHS are just a way to privatise the health service. Today, the Government have recycled their plans for the NHS when they should have been scrapped. People are right to conclude that they cannot trust the Tories with our NHS.

Mr Lansley: Well, I was hoping that, having got past the abuse, the right hon. Gentleman would tell us whether he agreed with the NHS Future Forum, but he did not even mention it. He welcomed the listening and engagement exercise that we announced—he said it was the right thing and that it would be good government to do it—but then when an independent group of experts reports and makes recommendations, he ignores it and says he will oppose the Bill regardless. He did not listen to what people in the NHS were saying. I think it was shameful how he dismissed everything that has happened over the past year as though it did not matter at all—a year in which the coalition Government said we would increase resources to the NHS. We have done that and are committing to investing an extra £11.5 billion in the NHS over the next four years. That is money that, as we will continue to remind the British public, the Labour party told us we should not give to the NHS.

In the past year, the coalition Government and the NHS across the country have implemented a cancer drugs fund from which 2,500 more patients have benefited, and in the past four months, we have cut the number of breaches of the single-sex rule by three quarters, and the number of hospital infections by 22% and C. difficile infections by 15%. Some 750,000 more people are accessing dentistry, and waiting times for people going into hospital are down compared with March 2010. We said that we would reduce management costs, and we will do so, and we have taken 3,800 managers out of the NHS since the election, while the number of doctors has gone up. Six months ago, the right hon. Gentleman said that he supported the reform principles in the Bill. All he said today was sheer opportunism, but it will come back to haunt him, because the NHS will benefit from the

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changes we are proposing today. It will take greater ownership of its own service; patients will be empowered; and clinicians across the service will be empowered and will deliver better outcomes for patients, and when that happens, we will be able to say, "The Labour party would have denied the NHS the resources and the freedom and responsibility to deliver those better outcomes."

Mr Stephen Dorrell (Charnwood) (Con): Is not the key challenge facing the national health service today the need to reverse a decade of declining productivity bequeathed to us by the Labour party? Does my right hon. Friend agree that his statement today provides the basis for us to do that based on the evolution of effective commissioning engaging the entire clinical community, which will address the fragmentation of service and progress the integration of service around the needs of individual patients?

Mr Lansley: Yes, I agree with my right hon. Friend. It is precisely that process of engaging clinicians, who will come together to design services around the needs of patients in a way that delivers not just improving productivity, but improving quality of services for patients, that is at the heart of the shift from primary care trusts and strategic health authorities. Let's face it: the Labour party spent a decade presiding over declining productivity, while the costs of bureaucracy and management in the NHS doubled. We will empower people in the NHS to deliver improving services and reduce bureaucracy. *[Interruption.]*

Several hon. Members *rose—[Interruption.]*

Mr Speaker: Order. The Opposition Front-Bench team should not be yelling at the Secretary of State when he is answering. *[Interruption.]* Order. On both sides of the House, right hon. and hon. Members, whatever the passions they feel, need to simmer down just a little. A fine example of that calm and stoicism can now be provided by the right hon. Member for Holborn and St Pancras (Frank Dobson).

Frank Dobson (Holborn and St Pancras) (Lab): Does the Secretary of State recognise that forcing the national health service to start implementing his changes before the law had been changed has resulted in vast expense to the NHS, in chaos to services and in the diversion of NHS staff from the treatment of patients? Does he also recognise that just cobbling together a few amendments to the Bill will not make things better but worse? Will he not recognise—*[Interruption.]*

Mr Speaker: Order. I ask the right hon. Gentleman to finish his sentence. We must press on.

Frank Dobson: Does the Secretary of State—*[Interruption.]*

Mr Speaker: Order. I will have the question finished. I do not require any help from any Member.

Frank Dobson: Does the Secretary of State not recognise that pretending to produce a collaborative silk purse from a competitive pig's ear will not work?

Mr Lansley: It is slightly confusing, because the right hon. Gentleman's right hon. Friend on the Opposition Front Bench, the Member for Wentworth and Dearne (John Healey), was just telling us—erroneously—that we could have done this without legislation anyway, but now the right hon. Gentleman is accusing us of proceeding without legislation. It is not true: we are doing things in the NHS by way of changes that are absolutely essential in any case. I have to tell him and the House that sustaining the structure that we inherited from the Labour party, with all the strategic health authorities and all the primary care trusts—this vast bureaucracy—could never have happened. We had to take out administration costs in the service, and empower clinicians and patients, and we are doing it now regardless of whether the legislation has made progress.

John Pugh (Southport) (LD): I welcome the statement and the change. I have a list here. The Government's response has satisfied 70% of the demands for change on that list, but it is seemingly not enough—nor can it be enough—because ironically, it is the list of amendments tabled by the Labour party in Committee. Why does the Secretary of State think that it is so hard to build consensus? Given that in many cases the amendments are ones that Labour has asked for, why is the Labour party being so pointlessly churlish?

Mr Lansley: I am grateful to my hon. Friend. There are many things that are beyond many of us to understand. One of them is the Labour party and the way it approaches policy. As he and the House will know, the fact is that the Labour party has no policy; it simply had opposition for opposition's sake.

Several hon. Members *rose—*

Mr Speaker: Order. I want to say two things. First, questions and answers must focus on the policy of the Government. That is the parliamentary position, and Members know it. Secondly—*[Interruption.]* Order. Secondly, I want to accommodate the level of interest in this statement, but Members must help me to help them, by being brief.

Mr Ben Bradshaw (Exeter) (Lab): In fact, the last Labour Government left record low waiting times and record levels of public satisfaction with the NHS. I welcome the fact that Professor Steve Field has said what many of us in the Opposition have been saying for at least a year. How much has this year's shambles cost the NHS, and how much has it damaged patient care?

Mr Lansley: It has not damaged patient care. The right hon. Gentleman should not denigrate the NHS. In May 2010, at the last election, patients waiting to be admitted to hospital waited 8.4 weeks for their treatment; on the latest figures, that went down to 7.9 weeks. Out-patient waiting times for May 2010 were 4.3 weeks on average; that went down to 3.7 weeks, and that in the midst of rising demand on the NHS and continuously improving performance.

Dr Sarah Wollaston (Totnes) (Con): This is clear evidence of a listening Government. Does the Secretary of State agree that what the NHS now needs is consensus

across all political parties, and for everybody to put their money where their mouth is and support the NHS and these changes as we move forward?

Mr Lansley: I am grateful to my hon. Friend, who makes a very good point. The Future Forum made the point that what people across the NHS want now is the certainty of knowing what the policy is and to move forward to make that happen.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): In view of the NHS Future Forum's comments about the

"importance and relevance of the NHS Constitution"

in guiding its work, does the Secretary of State accept that the seven principles set out in the constitution were more effective in protecting the NHS from a hostile Government than the Prime Minister's five pledges?

Mr Lansley: No, I do not accept that. The Prime Minister's commitments are absolutely what the public and the people working in the NHS expect and wish to see. They are vital, and they would not have been true under a Labour Government. For example, a Labour Government would not have increased resources for the NHS. The only part of the United Kingdom where there is now a Labour Government is Wales, where resources for the NHS are being cut this year by 5% in real terms compared with last year. When I went to north Wales in the middle of the recess, I saw on the front page of the *Liverpool Daily Post* that the number of patients waiting more than 36 weeks for their operations had risen from 16 to 989.

Mr David Ruffley (Bury St Edmunds) (Con): I welcome the proposals, but will the Secretary of State give details of the safeguards against cherry-picking of the kind that, if unchecked, could fatally undermine rural district hospitals such as the West Suffolk hospital in my constituency?

Mr Lansley: Yes; we have to ensure that commissioners are increasingly able to use a tariff involving an established national or local price to determine the service that they commission, and that that does not allow the private sector—or anyone else, for that matter—to cherry-pick services by undercutting on price. We also need to ensure that that price reflects the cost of the treatment for the conditions involved, including complex conditions. This is why we have committed to carry out work, not least with the Royal Colleges, to identify where we need to develop tariffs in order to ensure that that happens.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I welcome the statement, not least because it pays tribute to the future of the NHS commission. What is the Secretary of State's thinking on the forward planning for the commission?

Mr Lansley: If I may, I will interpret the hon. Lady's question in relation to the NHS Future Forum. I freely acknowledge that I wish that we had instituted the Future Forum after the publication of the White Paper last year. Although we had a full, formal consultation process at the time, to which 6,000 people replied, the character of the engagement that has been achieved over the past two months has been superlative. As we make further progress on the development of education and training proposals, for example, I want to ask the NHS Future Forum to continue that process of engagement in that and other areas across the service.

Mr Charles Walker (Broxbourne) (Con): I have a great deal of time for most GPs—in particular for the one sitting in front of me, my hon. Friend the Member for Totnes (Dr Wollaston)—but what part of the Bill would allow communities to rid themselves of underperforming GP practices?

Mr Lansley: That would need to be initiated by the NHS commissioning board. Under the legislation, the board would respond to the health and wellbeing board in the local authority in question, or to the local clinical commissioning group. In my hon. Friend's area of Hertfordshire, the health and wellbeing board will provide a new and powerful means by which the voice of the public can be expressed to challenge all the poor performance that occurs in the service.

Several hon. Members *rose—*

Mr Speaker: Order. May I remind the House that Members who came into the Chamber after the Secretary of State began his statement should not expect to be called?

Mr Kevin Barron (Rother Valley) (Lab): The Secretary of State must know that the biggest threat to the stability of the national health service is the introduction of competition law into clinical services. Will the clause that says that the mergers of NHS trusts will be a matter for the Office of Fair Trading and the Competition Commission be removed from the Bill?

Mr Lansley: The right hon. Gentleman should be aware that the Future Forum has recommended that the powers to be held by the Office of Fair Trading or the Competition Commission should be exercised by Monitor. That is because it believes it to be in the interest of the NHS for them to be exercised by a health service-specific regulator that is sympathetic to and has an understanding of NHS interests.

Andrew Bridgen (North West Leicestershire) (Con): Primary care trusts and strategic health authorities are part of a top-down management structure that has led to waste and bureaucracy and tolerates poorer patient outcomes. Will my right hon. Friend confirm that they will be abolished, and that the £5 billion that that will save over this Parliament will be ploughed back into front-line medical services?

Mr Lansley: Yes, I am grateful to my hon. Friend; I can do that. It is essential to move to a world where we reduce administration costs, relieve bureaucracy in the service and free those providing services by offering them the resources to deliver improving care without the burden of bureaucracy, cost and waste inflicted by a Labour Government in the past.

Mr Dennis Skinner (Bolsover) (Lab): Does not the Secretary of State understand that when the Labour Government were in power, they increased spending

[Mr Dennis Skinner]

from £33 billion to £111 billion in one decade, and that we are now witnessing, at a cost of £2 billion, a new Frankenstein monster all to pacify these tin-pot Liberals? Judas only got 30 pieces of silver.

Mr Lansley: I have a mission for the hon. Gentleman—he should head to Wales. In England, this coalition Government have committed to increasing the NHS budget in real terms in the life of this Parliament. The King's Fund reported the other week that in Wales, a Labour Government intend to reduce the NHS budget in real terms by over 8%.

Duncan Hames (Chippenham) (LD): I believe that the very act of listening to patients and the public will have done a lot to improve these proposals—as, I suspect, once the dust has settled, it will have done for the Health Secretary's reputation, too. Given the requirement for greater local accountability in these proposals, will the right hon. Gentleman make the same recommendation to local clinical commissioners in the changes they are yet to make for health services in their areas?

Mr Lansley: I am grateful to my hon. Friend for his kind remarks, but I have to tell him that I am not looking to achieve anything in terms of reputation; I just want a positive outcome for the NHS. I have said before that this is not about me; it is about achieving for the NHS the opportunity to deliver better services for patients. That is all I am interested in.

The proposals on public and patient involvement illustrate what we needed to do—and will now do in response to the Future Forum—as many people wanted to see set out in detail in the legislation how patient and public involvement would work in the respective NHS bodies. The legislation had set out the fact that these bodies existed, but the detail was not prescribed. There is always a balance to be struck in legislation between the degree of prescription and the degree of freedom. Clearly, through engagement with the NHS, we have approval for putting much more of the detail into the Bill, now that it is clear that it will engage patients and the public.

Kate Hoey (Vauxhall) (Lab): Along with the vast majority of the public, I welcome most of the changes announced today. I always welcome U-turns when they bring about the right thing. I am very concerned, however, that the bureaucracy that will be around after all these changes have gone through could be worse than what we have at the moment. I would genuinely like to be reassured on that point.

Mr Lansley: I am grateful to the hon. Lady for her support for the majority of the recommendations. The bureaucracy will reduce in the NHS as a consequence of the changes for one very simple reason—because we are shifting the ownership of commissioning and the responsibility for the design and delivery of services from what is essentially a distant managerial organisation into one that is locked into the clinical decision making of doctors and nurses across the service. Let us be clear: this is about delivering benefit to patients by empowering the doctors and nurses who care for them. That in itself will cut the bureaucracy.

Sajid Javid (Bromsgrove) (Con): Can the Secretary of State confirm that the Government have no plans to decrease the budget for the NHS—unlike the plans of the Labour party to slash it by £30 billion?

Mr Lansley: Yes, my hon. Friend makes an important point. If we had listened to the Labour party last year, we would have cut the NHS and would not have increased the resources going into it. The £20 billion efficiency savings required to respond to demand and cost would have been £30 billion, which would have put an unsupportable degree of pressure on the NHS. As it is, we are giving the NHS not only resources but the opportunity to deliver improving care.

Valerie Vaz (Walsall South) (Lab): After the White Paper was published in July last year, 6,000 representations were received from health professionals and from the Select Committee on Health asking the Secretary of State to think again about breaking up the NHS, so this "listening exercise" has been a waste of public money. Either the Secretary of State was wrong then, or he is wrong now. Which is it?

Mr Lansley: I am afraid I have to say that that was all nonsense. As the hon. Lady knows, we responded positively to the consultation last year and made changes then. However, as the details of the Bill have been emerging, people have been trying to work out how they will make it all work in the future. They have been saying, "We want to set out in the legislation precisely how it will work." There is no better way of making that process effective than talking to people in the NHS, engaging with them, listening to them, and then implementing the changes.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I am sure the Secretary of State agrees that the single biggest challenge facing health care in the United Kingdom is the economic and human challenge of looking after an ageing population. Does he also agree that the key to that is better integration of health care services—better integration of hospital services with community and social services—and that these reforms are a good way of going about that?

Mr Lansley: I agree very much with that. The Future Forum's report, particularly the part that deals with clinical advice and leadership, has given us a robust structure for engagement with the range of professions that are capable of delivering that kind of integrated, joined-up and more effective care.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Can the Secretary of State reassure us that no services or hospitals will be taken over by the private sector?

Mr Lansley: There are no plans in the legislation or, indeed, in the Future Forum's recommendations that would lead to that. In particular, as the hon. Lady will see in the detail published with the written ministerial statement this morning, we have proposed that Monitor should have no power to allow the private sector access to NHS facilities for reasons of competition and to take them away from NHS providers.

Mr Peter Bone (Wellingborough) (Con): We have a Prime Minister who loves the NHS, a Secretary of State who is the most experienced Member in the House when it comes to the NHS, and a coalition Government who have done something that the Labour Government never did. They listened, and they were willing to improve their Bill. This is a great day for democracy. I congratulate the Secretary of State on that, and on referring the Bill back to a Committee—and if he is looking for volunteers for the Committee, I am available.

Mr Lansley: I am grateful to my hon. Friend. It is because I believe in the NHS and the people who work in the NHS that I think it right to listen to and engage with those people, and to give them much greater control of the service that they provide for patients.

Grahame M. Morris (Easington) (Lab): What can we conclude from the fact that the Prime Minister is not here with us this afternoon to support the Secretary of State, but is involved in a PR stunt at Guy's and St Thomas' NHS Foundation Trust? It was once said on the other side of the Atlantic that you could put lipstick on a pig, but at the end of the day it was still a pig. Is that not true of the Bill?

Mr Speaker: Order. We are starting to get involved in issues perhaps not of order, but certainly of taste.

Mr Lansley: If you will forgive me, Mr Speaker, I do not think that I will favour that question with an answer.

Mark Lancaster (Milton Keynes North) (Con): Will the Secretary of State expand on the support that organisations such as the Spinal Injuries Association can expect through specialised commissioning?

Mr Lansley: I believe that as a result of our proposals the NHS commissioning board will be able to provide more consistency in much specialised commissioning, and I hope that that will apply to people with spinal injuries. I am well acquainted with the work of the Spinal Injuries Association: I think that it has done terrific work, and we have already worked closely with it in trying to ensure that we improve commissioning and services for those with spinal injuries.

Karl Turner (Kingston upon Hull East) (Lab): It is utterly disgraceful that Liberal Democrats and Tories are scrapping with each other to claim credit for the alleged listening exercise. Will the Secretary of State now apologise to my colleagues and me for not listening to us when the Bill was in Committee?

Mr Lansley: Yes, in relation to the changes we are now bringing forward, I do indeed give credit to some of my colleagues—very much so—but I also give credit to the Prime Minister and the Deputy Prime Minister for the time and trouble they have taken; they have spent a great deal of time listening, and engaging with people across the health service. We give credit, too, to the NHS Future Forum and the thousands of people across the NHS who have now made their contribution to the NHS's future, and I think they will be very disappointed to hear Opposition Members just wanting to denigrate that, and to make political capital out of it, rather than supporting the NHS in its future objectives.

Tony Baldry (Banbury) (Con): GPs collectively throughout Oxfordshire told the Field commission that they wanted to get on with GP commissioning, and that they were wholeheartedly committed to it because they believed they could be catalysts for change and better design NHS services for local people. When are GPs in Oxfordshire going to be able to get on with GP commissioning?

Mr Lansley: I can assure my hon. Friend that I know his local GPs, and that they want to work with their professional colleagues across their area and to get on with that now. We will continue to be able to delegate commissioning responsibilities to all commissioning groups who are ready to do that; if they show that they are ready, we can give them the capacity to do it through existing NHS structures.

Clive Efford (Eltham) (Lab): This is not a U-turn; it is a body-swerve around the Liberals. The Secretary of State has spent the last year telling us that cherry-picking for profit in the NHS will not be possible under his Bill, yet today's report has told us that he must take action to prevent such cherry-picking. Does the Secretary of State understand that this is now an issue of trust, and that nobody trusts him on the NHS—made in Britain by Labour, stolen by the Tories, and given away to his fat cat friends?

Mr Lansley: I will not attempt to compete with the hon. Gentleman on any driving analogies, but we have been clear that we will not countenance cherry-picking against NHS providers. The Future Forum has made recommendations on that, but they are not all to do with the Bill: for example, the processes I described of using a tariff lie outside the scope of the Bill. The Future Forum is making recommendations, and we are responding positively to them.

Dan Byles (North Warwickshire) (Con): Does my right hon. Friend agree that the discourtesy and mock anger from Opposition Members demonstrate why it is so important to take politics out of the day-to-day running of the NHS, so that we avoid this sort of political football nonsense every time we try to implement sensible reforms of this vital public service?

Mr Lansley: My hon. Friend is absolutely right, and that may be why Opposition Front-Bench Members have not told us whether they agree with the Future Forum. The truth is that they know they have to agree with it, because it makes good sense, but they are also trying not to let their political opportunity drift away from them. People will be deeply disappointed, and in some cases angry, that they cannot abandon trying to turn the NHS into a political football.

Mr Michael Meacher (Oldham West and Royton) (Lab): Will the new, revised GP consortia still be allowed to outsource commissioning, either in whole or in part, to private health care firms, many of them probably American, which would create a major conflict of interest?

Mr Lansley: The clinical commissioning groups will be statutory bodies, and will therefore not be able to delegate the responsibility for such commissioning to any other organisation, including a private sector organisation.

Karen Bradley (Staffordshire Moorlands) (Con): My constituents will be reassured to hear the Secretary of State say that it remains the duty of the Secretary of State to deliver a comprehensive health service, but was that duty ever at risk?

Mr Lansley: It was always clear that we would retain section 1(1) of the 1946 Act, which states that the Secretary of State will have a continuing duty to promote a comprehensive health service in England. What has been asked of us is that the Secretary of State should have not only that duty but a duty to secure the provision of that health service and an oversight responsibility in relation to the national bodies charged with providing it, and we will respond positively to that request.

Nic Dakin (Scunthorpe) (Lab): This is a sorry tale of the Government going too far, too fast. What we have now is in danger of being a dog's breakfast and the worst of all possible worlds. How much has this top-down reorganisation cost the UK taxpayer so far?

Mr Lansley: The listening exercise has to date—on 14 June—cost £36,640.97. The process of modernisation in the NHS is saving hundreds of millions of pounds every month. We know that we have to not only increase resources to the NHS but deliver continuously improving productivity and efficiency in the NHS. The Labour party always ignored that and failed on that; we will not fail on that.

Simon Hughes (Bermondsey and Old Southwark) (LD): Today's proposals are clearly winning the support of the health professionals and of political colleagues, but to win the support of the public and the patients I hope the Secretary of State will be able to give one further assurance that these plans will give greater local democratic accountability for the NHS than ever before and will therefore mean no enforced local privatisation of services, which happened under the previous Labour Government.

Mr Lansley: Yes, I can give my right hon. Friend that assurance. He will know that in our response to the Future Forum we will strengthen the role of health and wellbeing boards, deliver more integrated care and ensure that the local health and wellbeing strategy is a central document in determining the shape of commissioning in the NHS, social care and public health. The powers, including those for service reconfiguration in an area, will be maintained so that they must continue to meet the four tests I set out last year. The public voice will therefore be at the forefront of the response to any changes in the local service.

Lyn Brown (West Ham) (Lab): Given that the Secretary of State is about to waste £2 billion on this reorganisation—money that would be better spent on patient care—will he give us an assessment of how many A and E departments will close over the next two years?

Mr Lansley: That is pretty rich. When I became Secretary of State, I found that all over the country there were threats to accident and emergency departments and to maternity departments generated under a Labour Government. Let me tell the hon. Lady that this is about delivering continuously improving care and cutting costs. We set out very clearly that although there are costs involved in reorganisation, they will be recouped severalfold over the course of this Parliament, saving in total some £5 billion in reduced administration costs.

Mr David Nuttall (Bury North) (Con): My right hon. Friend will be aware that tens of thousands of families throughout my constituency are deeply concerned about the reduction of services at Fairfield hospital in Bury. Will any of the changes that my right hon. Friend has outlined enable that process to be reversed?

Mr Lansley: My hon. Friend and I have visited Fairfield hospital on a number of occasions and I have every sympathy with him and his constituents. He inherited as a Member of Parliament, as I did as Secretary of State, very advanced plans for changes to services at the hospital. What will now come to the forefront is the ability of the local authorities, through the health and wellbeing board and the clinical commissioning group, to bring clinical staff and the public together to say that in his area, north of Manchester, they can take greater ownership of the design of services to meet local needs.

Jim McGovern (Dundee West) (Lab): I am sure that I am not the only Member who noticed that the title given to the urgent question required only one consonant to be added for us to use it for the ministerial statement: "Wasted Review"—*[Interruption.]* Wasted review—was that the sound of a large penny dropping? Given that the Minister is constantly dodging questions about the cost of the review, will he tell us how many nurses and doctors could have been put in post using the money the review cost?

Mr Lansley: The latest figures on the changes in staffing in the NHS since the general election have shown a reduction of 3,800 managers, an increase of 2,500 in the number of doctors and no reduction in the number of nurses.

Charlie Elphicke (Dover) (Con): In Dover and Deal, we have dynamic GPs, many of whom want to get involved in commissioning, but not every GP wants to do so. Will the Secretary of State confirm that no individual GP will be forced to be involved in the work of the commissioning group and that that was always the case under his reforms?

Mr Lansley: My hon. Friend makes a good point. Many GPs across the country understand that clinically led commissioning is the right thing to do, but they do not personally want to be involved in that process. There are, however, leaders who do, and leaders across the country have already come forward through pathfinder consortia and will be a basis on which we can create much greater clinical leadership across the service. The Future Forum was very clear that leadership from within the service, from doctors, nurses and other health professionals, will be instrumental in improving care in the future.

Chris Williamson (Derby North) (Lab): Everyone knows that the Conservatives opposed the introduction of the national health service and that they brought it to its knees when they were last in power. Now they are trying to undermine it by wrapping it up in bureaucracy. With waiting lists increasing, what assurances can the Secretary of State give the House that they will not increase further as a result of the measures he is bringing forward in the Bill?

Mr Lansley: I do not think that the hon. Gentleman listened to or heard the Prime Minister when he made absolutely clear our commitment to keeping waiting times low. Not only did the Prime Minister make that commitment, but it is in the constitution. In practice, the opportunity for patients increasingly to see the performance of the hospitals to which they can choose to go will help to drive increases in performance. As I told the House in response to an earlier question, waiting times are now lower for in-patients and out-patients than at the time of the last election. I am also old enough to remember that in June 1944, Winston Churchill, as the leader of a coalition Government, went to the Royal College of Physicians and set out an ambition for a national health service that would give everybody in the country access to the highest quality health care, free for all, regardless of means.

Jeremy Lefroy (Stafford) (Con): The Cure the NHS group, founded by Julie Bailey in Stafford, has rightly stressed the importance of a culture of caring and zero harm to patients—something that my right hon. Friend has always emphasised. How does he think the recommendations of Professor Field's report will help with embedding such a culture across the NHS?

Mr Lansley: As my hon. Friend knows, much can contribute to that change of culture, not least making safety one of the central domains for measuring outcomes in the NHS. In addition, it must be personal to each member of staff in the NHS that they have that responsibility. We have too often seen cases in which people have been professionally responsible but have not acted in line with that responsibility. A central part of what we need to do is not about organisations and structures but about creating that sense of personal responsibility in professionals across the service to look after their patients and those for whom they care and to blow the whistle if there is harm or abuse; and we must protect and secure that whistleblowing when it happens.

Helen Jones (Warrington North) (Lab): The Secretary of State promised to reduce bureaucracy, but he has now spent more than £760 million on a botched reorganisation that gives us commissioning consortia, senates, a whole host of national quangos and PCTs being abolished to transfer their staff somewhere else. Is it not time he accepted that this is a botched reorganisation and withdrew the Bill?

Mr Lansley: Most of that was pure invention, including all the numbers. We are going to save money with these changes to the NHS. We are going to transfer resources from bureaucracy, management and administration into front-line care. Through clinical commissioning groups we are going to empower staff in the NHS, and abolishing two tiers of management in the NHS will save us, in total, a third in real terms out of administration costs.

John Glen (Salisbury) (Con): Will the Secretary of State confirm that despite the existence of clinical senates the primary driving role in commissioning will remain with GPs, who know their patients best and know which services they require?

Mr Lansley: My hon. Friend makes an important point. General practice—not just general practitioners but general practice—has a central role for patients because there is a long-term relationship with patients and an understanding of the whole population and the health of a whole area. However, GPs recognise that in order to get the right services for patients, they have to design services alongside the range of professionals whose job it is to deliver them.

Mr Ronnie Campbell (Blyth Valley) (Lab): Let us be clear: this is just a dog's dinner and these amendments have proved it. What we have here is a slow-privatisation-of-the-NHS Bill that is backed by the Rag, Tag and Bobtail party—the Liberal Democrats. This is the beginning of the privatisation of the health service and it is time it stopped.

Mr Lansley: This Bill and our proposals were never to support privatisation; they are not to support privatisation and they will not be to support privatisation. The hon. Gentleman should have attacked the Labour Government who gave the private sector £250 million for operations it never carried out; they paid it 11% more than they would have paid the NHS for that. They tried to push the NHS out of the provision of services when it could have provided them and competed. The Labour Government did that, and we shall legislate to make it illegal for a Secretary of State or any regulator to engage in that kind of preferential treatment for the private sector in future.

Gavin Barwell (Croydon Central) (Con): I welcome the revised proposals, in particular the focus on competition not as an end in itself but on informed—*[Interruption.]*

Mr Speaker: Order. I apologise for having to interrupt the hon. Gentleman. Whatever feelings the hon. Member for Blyth Valley (Mr Campbell) entertains in relation to the Liberal Democrats, who seem unlikely to feature on his Christmas card list, I urge him to exercise what modicum of self-restraint he can muster in the circumstances.

Gavin Barwell: Thank you, Mr Speaker.

I welcome the focus not on competition as an end in itself, but on informed patient choice to improve patient care. Can my right hon. Friend confirm that, unlike the Opposition, the Government believe that NHS patients in my constituency deserve the best that the public, private and voluntary sectors can offer them?

Mr Lansley: I understand. What my hon. Friend says is absolutely clear. We know that informed choice for patients is a serious contributory factor in improving outcomes for patients. When there is informed choice, of necessity we must have a diversity of providers to

[Mr Lansley]

support it. There is no doubt that to that extent competition is an essential part of delivering improving care in the future, but it is not an end in itself. It should not be elevated to that point, over and above delivering the integrated services that best give patients the care they need.

Chris Bryant (Rhondda) (Lab): My constituent Rosie Edwards suffers from a rare congenital heart condition, known as Fallot's tetralogy. Fortunately, for all her life, both as a child and now as an adult, she has had to have all her treatment at the Royal Brompton hospital in London. Unfortunately, the Government are proposing that that paediatric cardiac service is terminated—[HON. MEMBERS: "Not true."] It is completely true. There is no provision in the suggestions that have been brought forward for the service to continue. My constituents are asking whether, if reorganisation will cost a lot of money, it would not be better to spend that money on protecting those services.

Mr Lansley: I am sorry the hon. Gentleman tried to characterise that as he did. The joint committee of primary care trusts is conducting a consultation. The Government are not doing it; I am not doing it; the committee is doing it, and the consultation closes on 1 July. People across the country are quite properly making representations to the consultation, including on the Royal Brompton and other units. The committee has not made recommendations to me; it will come to its conclusions after that consultation, which has absolutely nothing to do with the structure of the proposals I am referring to today.

Steve Baker (Wycombe) (Con): My constituents will not be interested in hard left, old school scaremongering. They simply want to know whether the Bill will put local health services under a greater degree of local control.

Mr Lansley: My hon. Friend will know that many of us in the House were deeply frustrated in the past that Ministers would say at the Dispatch Box that primary care trusts were responsible for local decisions, and then nobody found locally that the PCT was in any practical sense accountable to them or the population they represented. In future, there will be proper accountability: clinical accountability through the commissioning groups and democratic accountability through local authorities.

Angela Smith (Penistone and Stocksbridge) (Lab): Will the Secretary of State apologise to the people of this country for a botched process that will lead to nothing but chaos and confusion in the NHS?

Mr Lansley: I think the hon. Lady should read the NHS Future Forum report where she will find that right across the service there is support for the principles we set out, and agreement that change is necessary. I do not know where she imagines that change will come from if not by going through a process of the kind we have engaged in.

David Rutley (Macclesfield) (Con): Public health continues to be an important priority, particularly in Cheshire East which, surprisingly, is ranked 15th in the league table for hazardous drinking. Can my right hon. Friend tell the House what remit he is giving the Future Forum in this important area?

Mr Lansley: I am grateful to my hon. Friend. The Future Forum has made recommendations in relation to public health. One of them, which I announced today, is that we want to combine the direct integrated work on health protection and response to emergencies through Public Health England with continuing independence for expert advice, so I am proposing that Public Health England should be established as an executive agency. What is critical is that we create through the legislation a greater opportunity for local authorities to lead health improvement plans locally, so issues such as alcohol abuse and problem drinking will need not only national leadership, which we will give, but local leadership, which the Bill will empower.

Barbara Keeley (Worsley and Eccles South) (Lab): Accountability is not at all clear. The Secretary of State said that clinical accountability will be in one place and democratic accountability in another. We are replacing one organisation—the PCT—with five. My constituents will just want to know where the accountability lies for important local NHS decisions. That has not become clear from the statement so far.

Mr Lansley: I repeat: from the public's point of view, we know that what they wanted was genuine accountability, in the sense that the doctors, nurses and other health professionals who care for them should be able directly to design and influence the shape of services locally to meet their needs, but they also want a patient voice and a public voice. That has not existed in the past; we will enable it to happen. They will come together at the health and wellbeing board, where they will establish a strategy for their area.

Matthew Hancock (West Suffolk) (Con): In the commendable listening exercise, was it not clear that there is now broad support for the principles of reform? Is it not better that we now take that forward, rather than being opposed to reform and opposed to the resources for the NHS, as the Opposition are?

Mr Lansley: I am grateful to my hon. Friend. That is indeed the message that came through to us from the NHS Future Forum and its extensive engagement with the NHS and beyond. I will not go down the path urged on us by the Opposition, which for the NHS seems to be spend less, do nothing and let the crisis happen when it will.

Richard Burden (Birmingham, Northfield) (Lab): The Secretary of State is still talking about the Bill as if it is a way of promoting localism and local accountability, but is it not still the fact that most of the extension of locality commissioning that that would involve could happen without the Bill? I refer the Secretary of State to the role of the national commissioning board. What is that, if not a massive and bureaucratic centralisation of power?

Mr Lansley: With respect, the hon. Gentleman misses the point entirely. Without the legislation we could not transfer out of the hands of a managerial top-down

bureaucracy into the hands of clinicians and local people, but he is right—it is not just the localisation of decision making. There is also in the NHS a nationally funded service with an expectation of national standards, and many services that require high levels of national consistency in commissioning. There is a job for the national commissioning board, which we will establish. That in itself will inject a considerable level of consistency in standards and quality, and considerable efficiency in commissioning some services.

David Morris (Morecambe and Lunesdale) (Con): I congratulate the Secretary of State on his reforms. I know how hard he has worked and conducted consultation across the political spectrum. That should be respected by the Opposition. The reforms empower our medical practitioners—doctors and nurses—and in doing so, as I am sure he would agree, will stop the litigation culture that has galloped away over the past 13 years under the previous Government.

Mr Lansley: I understand the point that my hon. Friend is making. We need—not least in a further emphasis on safety and some of the other measures that we as a Government, including my colleagues at the Ministry of Justice, have said we would bring forward—to try to offset a rising tide of litigation and cost associated with clinical negligence cases in the NHS. My hon. Friend is kind to me about working hard. I never imagined I would not do so, but if I have worked hard over the past eight weeks, it is nothing compared to the leaders of the NHS Future Forum who, in the space of just eight weeks, produced excellent work which will be of enduring significance.

Alison McGovern (Wirral South) (Lab): Last year, the NHS in Wirral tried to respond quickly to the Secretary of State's top-down reorganisation and has since spent months in uncertainty and stress. Will the Secretary of State apologise now to staff and patients on the Wirral for all the unnecessary problems he has caused them and all the money he has wasted?

Mr Lansley: I met many of the previous practice-based commissioning groups in the Wirral and south Merseyside, who came together to tell me how enthusiastic they were about the possibilities for designing clinical services more effectively in future. They are doing that. They want to get on with it and the Future Forum is right: we need to give them the opportunity to get on with that now.

Alun Cairns (Vale of Glamorgan) (Con): What assurance can the Secretary of State give that his plans will abolish the rigged market introduced by the previous Government that ended up giving £250 million to the private sector for delivering nothing?

Mr Lansley: My hon. Friend is absolutely right. We will legislate to stop precisely that distortion and that favouritism to the private sector. The private sector must know that it will have to provide additional services to the NHS on the basis of quality, not on the basis of any preferential system, as under the previous Government.

Joan Ruddock (Lewisham, Deptford) (Lab): I remember that under the previous Conservative Government people died while on waiting lists. [HON. MEMBERS: "Oh!"] It is a fact. I was a Member of Parliament at the time and it happened. Labour's targets transformed that. The Secretary of State has been forced today to retake responsibility for the delivery of the NHS. He has talked about what has been happening. Will he make a specific promise today about the future waiting lists under his jurisdiction?

Mr Lansley: I will make clear to the right hon. Lady, as the Prime Minister has made clear, that we will not let waiting times rise. We will continue to maintain downward pressure, but it is very important that we do not treat waiting times in the NHS as the only measure of performance. It is more than that: it is the quality of care that is provided, not just the access to care.

Andrew George (St Ives) (LD): I am very sorry to say that the Secretary of State demonstrated a creative interpretation of the coalition agreement when he launched his policy last July. What can he say to the House to reassure us that he will not make the same creative interpretation of the Future Forum's recommendations, particularly in relation to the risk of the marketisation of health services?

Mr Lansley: The hon. Gentleman will know that when I came forward with the White Paper last year, or the Command Paper in December, or the Bill, we did so collectively as a Government, and I can assure him and all my colleagues that we will continue collectively to agree on the basis on which we take all these issues forward.

Kevin Brennan (Cardiff West) (Lab): Some say that the reason the Secretary of State went too far, too fast and has now come up with a fix that is too little, too late is that he has a bit of a tendency to be pig-headed and cloth-eared when people disagree with him. I do not agree with those who say that, but could he now find the humility and courage at least to say sorry for the mess he has made?

Mr Lansley *rose—*

Mr Speaker: Order. I remind the House of the wise stipulation in "Erskine May" that moderation and good humour are the defining features of parliamentary language.

Mr Lansley: In that spirit I thank the hon. Gentleman for the generosity of his remarks and encourage him likewise to apologise for the performance of a Labour Government in Wales who are cutting the NHS budget by 5% and seeing the performance of health care in the NHS in Wales deteriorate considerably relative to that in England.

Harriett Baldwin (West Worcestershire) (Con): My constituency has borders with Gloucestershire, Herefordshire and Shropshire. The NHS Future Forum has recommended that commissioning group boundaries should not normally cross local authority boundaries, but will my right hon. Friend confirm that my local commissioning consortia can work with doctors in other areas?

Mr Lansley: The Future Forum is perfectly clear that there is a benefit associated with integrating health and social care if clinical commissioning groups do not

[Mr Lansley]

normally cross local authority boundaries. But it is clear, and we are clear, that they should be able to make a case to do so if they think it appropriate. We have the benefit of being able to look at the pathfinder consortia, of which there are 220 and I think that 16 cross local authority boundaries, so it is already the exception rather than the rule.

Diana Johnson (Kingston upon Hull North) (Lab): Will the NHS be the preferred provider of choice for health care services for my constituents?

Mr Lansley: No, I have said that we will legislate to ensure a level playing field, so her constituents should have access to whichever provider their clinical commissioning group views as best able to deliver quality care.

Christopher Pincher (Tamworth) (Con): The Government are incorporating the co-operation and competition panel into Monitor to advise the NHS on competition rules. Given that the Opposition seem to be engaged in collective amnesia this afternoon, will my right hon. Friend remind the House which party first established the CCP and the concept of competition in the NHS?

Mr Lansley: My hon. Friend makes an interesting point, because, as the Future Forum report acknowledges, the Bill does not extend the application of competition rules in the NHS, which were introduced under the Labour Government. The co-operation and competition panel was established under the Labour Government in 2009. The rules that we will maintain as a process of evolution, rather than revolution, are the ones that were consulted on in January 2009 and most recently published by a Labour Government in March 2010. To that extent, and despite all the hot air from the Labour party on competition in the NHS, we are adopting an evolutionary approach and starting precisely from the situation that applied under the Labour Government.

Jeremy Corbyn (Islington North) (Lab): In his earlier answer to my right hon. Friend the Member for Oldham West and Royton (Mr Meacher), the Secretary of State, if I understood him correctly, said that commissioning consortia would have to do the commissioning themselves and could not franchise it out to private providers. Will he confirm that that is the case and that he has powers to limit the number of private patients who can be taken into NHS facilities under the regulations he is proposing in the Bill?

Mr Lansley: I reiterate that the clinical commissioning groups will be statutory bodies with a statutory responsibility for commissioning, so it would not be legal for them to delegate that to another body that was not subject to the same obligations. As far as access to private patients is concerned, we have made it clear—I do not believe that the Future Forum makes any recommendations on this—that foundation trusts, which often have arbitrary rules relating to limits on their income from private patients, should have that cap lifted, but we propose to put additional safeguards in place to make it clear that, if they do so, not only must that income be separately accounted for so that there is no subsidisation from NHS facilities, but the trusts must demonstrate how that will support their continuing primary purpose of providing services to the NHS in England.

Mr John Baron (Basildon and Billericay) (Con): Having very much supported the listening exercise, I know that for many of us the most important aspect of these reforms has always been the new focus on outcomes, as illustrated by the inclusion of the one and five-year cancer survival rates in the outcomes framework. Will the Secretary of State assure me that the Future Forum's suggestions will in no way detract from that new focus on the quality of care?

Mr Lansley: I can give my hon. Friend that assurance. Indeed, I can go further and say that one of the reasons the Future Forum has made no recommendations on the outcomes framework is that it found enthusiasm across the NHS for focusing on quality and outcomes and nothing but approval for the framework. Of course, the Labour party ignores the fact that, as stated in the White Paper we published last year, that is one of the central aspects of what we are setting out to do. He is right that the focus on outcomes, which enables people to see how this country performs in health, relative to other countries, and continuous improvement in health outcomes, rather than just a small number of focused targets, is instrumental in continuous improvement.

Kate Green (Stretford and Urmston) (Lab): The Secretary of State is aware of the situation faced by Trafford acute trust. Will he reassure my constituents that there is no prospect of Trafford General hospital being either broken up or taken over by a private company?

Mr Lansley: The hon. Lady will have a further opportunity to discuss that shortly. She will know that the NHS trust in Trafford is examining whether it might merge with one of two possible foundation trusts and whether it might change its corporate configuration, as it were, but entirely within the NHS.

Andrew Percy (Brigg and Goole) (Con): Last Friday, I met two members of the local Labour party in my constituency who presented me with an apparently independent petition on the NHS reforms. At that meeting, they told me that it was a fact that our reforms would lead to the removal of a comprehensive health service; we now know that that is a load of old nonsense. They also told me that it was a fact that these changes would open up the NHS to European Union competition law in a way that it is not at the moment. Is that a fact, or is it just shameless scaremongering?

Mr Lansley: It is entirely scaremongering. My hon. Friend might like to look at what the Future Forum report says in relation to choice and competition, which sets out very clearly that the extent to which EU competition rules apply in the NHS will not change as a consequence of this Bill.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): So far, £768 million has been wasted on this failed reorganisation. In my region, Freeman hospital's cardiac unit for children is under threat,

South Tees Hospitals trust has had £20 million removed by the Government, and the Government are proposing a national commissioning board that sits in private, is unelected, produces no minutes, remunerates itself and sets its own sub-committees. Where is the front-line quality of care for people?

Mr Lansley: I am afraid that that is a further repetition of invention by Labour Members, who appear to have been given one or two figures of their own. It is complete nonsense. In the impact assessment associated with the Bill, which we will now revise to reflect these changes, we explained that there was an estimated £1.4 billion total cost of reorganisation, but that that would lead to a £1.7 billion recurring annual benefit in savings, which would accumulate to more than £5 billion over the course of the Parliament.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Building on the question from my hon. Friend the Member for West Worcestershire (Harriett Baldwin), HealthEast pathfinder consortium in my constituency crosses two district councils—in fact, it crosses two counties—and it might be appropriate for GPs from a third council area to join it. Will my right hon. Friend assure me that no barriers will be put in the way of what should be effective care for patients rather than simply political boundary lines?

Mr Lansley: As I have said, we will expect, and the Future Forum says, that commissioning groups should not normally cross local authority boundaries—in this respect, boundaries for social authorities—but they should be able to make a case for doing so based on benefit to patients. The one thing I would urge is that they are very clear with their local authorities about how they can secure the continuing integration of health and social care at a local level.

Bill Esterson (Sefton Central) (Lab): Is not the reason the Secretary of State has so much support from the right wing of his party that they know that this will lead to privatisation of large parts of the NHS, as he confirmed in his answer on preferred suppliers?

Mr Lansley: I hope that my colleagues would support me in saying that I have support from colleagues right across the coalition, because the coalition Government are supporting the NHS in enabling it to deliver improving services. That is what it is all about.

Mr Edward Leigh (Gainsborough) (Con): It is appropriate that I am last, because I come at this from a different direction from everybody else. Given that no extra cash is available—we know that—how will the watering down of Monitor's duty to promote core competition help to deliver the efficiency gains that are the future of the NHS? How will the Secretary of State now achieve that?

Mr Lansley: I say three things to my hon. Friend. First, let us be clear that there is £11.5 billion of additional cash available to the NHS over the course of this Parliament—but we have to use it better and deliver greater quality and effectiveness. The job of the commissioners and Monitor together is to deliver that—partly through tariff development in ensuring that they get those efficiencies by the price that they set, based on benchmark-to-best practice prices, but also through using their commissioning strength to design services. We all know that if we simply said every year to the NHS, "You must save money by cutting the price of what is paid to you", its response would be to cut services, cut staffing or cut quality. In fact, achieving greater quality and effectiveness is about the redesign of clinical services—the transfer of services into the community and keeping people well at home rather than through emergency admissions to hospital. It is about clinical leadership and clinical redesign, and that is what these proposals will bring to the forefront.

Owen Smith (Pontypridd) (Lab): Given the Secretary of State's manifest interest in Wales, I invite him to come to Wales to meet some Welsh patients with me to find out at first hand which party they trust to safeguard the heritage of the NHS—Labour or the Tories. I suspect that the answer would be revealing for him. How much Welsh taxpayers' money has been wasted on this needless reorganisation of the NHS?

Mr Lansley: The hon. Gentleman must know that the money available to the NHS in Wales is available to the NHS in Wales, and that it is separate from England. The Labour Welsh Assembly Government have made their own decisions about the priority that they attach to the national health service in Wales, and the result is, as the King's Fund says, that they plan to reduce its budget by 8.3% in real terms. We are going to increase the NHS budget in real terms. The result can be seen in waiting times, which we were talking about. In England, the proportion of patients admitted to hospital who are seen within 18 weeks, according to the latest data, is 89.6%. He might like to reflect on the fact that the figure for Wales is 64.5%.

Rosie Cooper (West Lancashire) (Lab): Although it has been difficult to hear during this debate, I would like to address my comments to the statement made by the Secretary of State.

The Minister of State, Department of Health (Mr Simon Burns): Question.

Rosie Cooper: Question, sorry. *[Interruption.]* Let us get to the point and stop playing around. The Secretary of State said in the statement that consortia will now have one nurse and one secondary care doctor and that:

> "To avoid any potential conflict of interest, neither should be employed by a local health provider."

How will the Secretary of State apply that rule to GPs? Would not the Secretary of State and his reforms be best described as like Schrodinger's cat—in a state of uncertainty and both alive and dead at the same time?

Mr Lansley: The hon. Lady misses the point. If GPs were providers as well as providing primary medical services, they would be unable to make decisions about those responsibilities because of a conflict of interest. Of course, as primary medical services providers in their area, they are not commissioned by the clinical commissioning groups—if the hon. Lady is listening to the answer at all—because the commissioning of primary medical services is undertaken by the NHS commissioning board, not by the local groups.

Sheila Gilmore (Edinburgh East) (Lab): Will the Secretary of State accept that he would not be in the position he is in today had there been proper pre-legislative scrutiny of this Bill? Will he recommend to his Cabinet colleagues that that process is used for all future legislation? It is a case of more haste, less speed.

Mr Lansley: We as a coalition Government are engaging in more pre-legislative scrutiny than any of our predecessors. In this instance, I do not accept the hon. Lady's proposition. What has been done by the NHS Future Forum could not conceivably have been achieved in pre-legislative scrutiny, because it was essentially about engaging people across the service in how we will implement principles that are widely supported across the service. It is very much of the here and now, rather than something that could have been done in advance.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): I ask the Secretary of State to answer a straightforward question with a straightforward answer. How much money has so far been outlaid on this NHS reorganisation?

Mr Lansley: I have made it very clear that the impact assessment set out that we expect the total cost of the reorganisation—these figures will be revised because of the changes—to be about £1.4 billion, but that it will deliver recurring savings of £1.7 billion a year, leading to something approaching a £5 billion net saving in administration costs over the life of this Parliament.

Mr Speaker: I am grateful to the Secretary of State. All 65 Back-Benchers who stayed in the Chamber and sought to catch my eye were successful in doing so. I hope that the House's inquisitorial appetite has been satisfied on this matter, at any rate for today. I was going to come to the ten-minute rule motion, but not before we have entertained a point of order from the hon. Member for Rhondda (Chris Bryant)—nothing new there.

Point of Order

5.19 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. I hate to do this, but yesterday, when questioned by my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman), you mentioned the fact that it would be inappropriate for a Minister to make announcements about changes to such an important policy as we have just discussed before they were made in the Chamber. Yet the Prime Minister went ahead, at 12 o'clock today, with a press conference at which large amounts of the statement were announced. There is no point in the House continuing to say that we deprecate this if we do not do something about it.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. I well recall—I would have a serious problem with my short-term memory if I did not—the exchange that I had with the right hon. Member for Manchester, Gorton (Sir Gerald Kaufman) yesterday. I made it clear that policy announcements should be made first to the House. The Government tabled a written ministerial statement this morning, which is not unprecedented but is a common practice, and there has been a full oral statement this afternoon. I hope that it has been noted, and is approved of by the House, that every Member who wanted to take part in the exchange had the opportunity to do so.

Chris Bryant: Further to that point of order, Mr Speaker.

Mr Speaker: No, I am going to leave it there. *[Interruption.]* No, I am not going to debate the issue with the hon. Gentleman. He and I have known each other a long time, and if he is dissatisfied, he can always contact me again. If he wants to pursue the matter on subsequent occasions, that opportunity will exist for him. *[Interruption.]* Order. I would not for one moment seek to deny him that opportunity, but I cannot have a debate with him on the Floor of the House. He has made his point and I am happy to reflect on it further. If he feels strongly he will probably write to me, and who could deny him the chance to do so? However, today we really must move on to the 10-minute rule motion, for which the hon. Member for Sedgefield (Phil Wilson) has been waiting patiently.

Private Landlords (Register and Duties)

Motion for leave to bring in a Bill (Standing Order No. 23)

5.21 pm

Phil Wilson (Sedgefield) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for a register of private landlords; to require private landlords to take certain actions in the event of anti-social behaviour by their tenants; to give additional powers to private landlords and local authorities in cases of anti-social behaviour by tenants; to establish a community fund to which private landlords must contribute; and for connected purposes.

In every community, the number of private landlords and the size of the private sector are increasing. It has been estimated that, by 2020, 20% of the UK's housing stock will be private lets. At the beginning of the 21st century, about 10 years ago, 3% to 4% of the housing stock in Sedgefield was private lets. Today the figure is about 11% or 12%. In inner-city areas of London such as Camden and Newham, it is as high as 30%. Shelter estimates that the proportion of households in private lets stands at 15%—an increase of 40% over five years. Such households with children have grown at an even faster rate, increasing by 16% in just 12 months.

With proposed changes to homelessness legislation, cuts to housing and high house prices and deposits, private renting will be under increasing pressure, especially at the lower end of the market among the most vulnerable groups. The private rented sector is rife with problems. Some 36% of Shelter advice queries come from private renters, more than double the proportion in the population at large. Satisfaction is lower, and accommodation is more likely to be of a poor standard. According to Julie Rugg's investigation of the private rented sector in 2008, 50% of privately rented properties failed to meet the decent homes standards.

The expansion of buy-to-let lending over the past decade saw a much wider range of individuals become landlords, many of them with little or no experience, knowledge or understanding of their responsibilities and the complex legal framework of renting. In fact, the buy-to-let sector includes more than 650,000 homes that could have been in the owner-occupier market, and the fact that they are not has helped to force up house prices.

Where there are high concentrations of private lets, some have caused a blight on the local community, especially in low-demand areas. In Sedgefield, where there are several ex-colliery villages with rows of terraced housing, private landlords have moved in. In some streets up to 40% or 50% of the properties are private lets. In others half the landlords are absentees, with some even living abroad. Over the past four years I have had numerous cases of private landlords who have neglected their properties and tenants. Antisocial behaviour has become a major problem in the affected areas, and some of the residents who have lived in the streets in question for years now do not feel part of the local community that they have known for a long time.

Two areas of Sedgefield—Dean Bank in Ferryhill and an area of Chilton—have been designated selective licensing areas, in which private landlords have to sign up to special conditions and protocols. They have been successful, but more needs to be done.

The basic problem is not private landlords. Some are a problem and some are very good landlords, but the vast majority are amateurs without the skills and wherewithal to deal with being a private landlord. The buy-to-let market has led to a huge increase in such landlords. The market has grown because people saw it as an opportunity to make capital gain, for example, from increased profits from the value of properties.

To help the huge number of private landlords, it is in their interest for a national register to be set up. With satisfaction lower in the sector than in others, and problems with private renting leading so many people to seek advice, it is clear that private renting is not securing the needs of households and communities. The universal cover of a national register will be a significant help to local authorities in identifying and targeting rogue landlords, and in enabling better joint working between local authorities to tackle such landlords across multiple areas. Serial offenders could be struck off the list.

In the immediate future, however, the private rented sector is under increasing pressure and there is a need to strengthen local authorities' response to tackle rogue landlords and the many amateur landlords who need help as much as anything else. The purpose of the register would be distinct from licensing. It would be mandatory and its purpose would be to enable local authorities to get a handle on the local private sector so that they can work with landlords. The register could be run by local authorities or housing associations, or it could be outsourced to a third party. A fee could be charged for administrative costs. Sanctions for failing to register could be preventing landlords from serving section 21 notices, rent payment orders or fines.

The register could help local authorities to determine how many private landlords there are in a given area. If the number reaches a certain level, I believe that landlords should pay a community levy, especially in those areas where they dominate the housing stock. If people take out of the community, they should put back into it. If, for example, 25% of homes in a given area are private lets, or if one landlord owns several properties in an area, a community levy should be payable into a fund to put towards the upkeep of the area. Local people, in the spirit of localism, could decide how the fund is spent, whether to help with policing, environmental issues or whatever. Social landlords already do that, so why not private landlords? Again, the levy could be administered by a local authority, housing association or another arm's length organisation. The more efficiently the community levy fund is administered, the more money will be available for investing in community programmes.

If in nine years' time—by 2020—one in five of our homes is a private let, the whole sector will need to be professionalised. The private rented sector is the only sector that is currently expanding. The sector is necessary, but it needs to live up to its responsibilities. I have seen that for myself in my communities.

The sector needs regulation. Even the Rugg report says that market forces alone do not adequately police management quality in the sector. Therefore, intervention is required, not only for our communities, but for tenants and private sector landlords themselves. The Bill goes some way towards redressing the balance. In any event, I hope it raises what is a growing concern to many in the House, but more importantly, a growing concern to the people and communities whom we represent.

[Phil Wilson]

Question put and agreed to.

Ordered,

That Phil Wilson, Tom Blenkinsop, Mrs Jenny Chapman, Nic Dakin, Lilian Greenwood, Graham Jones, Ian Mearns, Owen Smith, David Wright, Stella Creasy and Lyn Brown present the Bill.

Phil Wilson accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 18 November, and to be printed (Bill 201).

ARMED FORCES BILL (PROGRAMME) (NO. 2)

Ordered,

That the Order of 10 January 2011 (Armed Forces Bill (Programme)) be varied as follows:

1. Paragraphs 4 to 6 of the Order shall be omitted.

2. Proceedings in Committee of the whole House, any proceedings on consideration and proceedings on Third Reading shall be taken in two days in accordance with the following provisions.

Committee of the whole House

3. Proceedings in Committee of the whole House shall be taken on the first day and shall be taken in the following order: new Clauses and amendments relating to call out of reserve forces; Clauses 1 to 14; Schedule 1; Clauses 15 to 26; Schedule 2; Clauses 27 and 28; Schedule 3; Clause 29; Schedules 4 and 5; Clauses 30 to 33; remaining new Clauses; new Schedules; remaining proceedings on the Bill.

4. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the first day.

Consideration and Third Reading

5. Any proceedings on consideration and proceedings on Third Reading shall be taken on the second day.

6. Any proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion two hours before the moment of interruption on the second day.

7. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of those proceedings or at the moment of interruption on the second day, whichever is the earlier.

Armed Forces Bill

Considered in Committee

[MR ROGER GALE *in the Chair*]

New Clause 12

CALL OUT OF RESERVE FORCES

'In section 56 of the Reserve Forces Act 1996 (call out for certain operations), after subsection (1) insert—

"(1A) Where—

(a) work is approved in accordance with instructions issued by the Defence Council under the Defence (Armed Forces) Regulations 1939 as being urgent work of national importance, and

(b) the Defence Council have by order under those Regulations authorised members of any forces to be temporarily employed in such work,

the Secretary of State may make an order authorising the calling out of members of a reserve force for the purposes of carrying out such work."'.—*(Mr Robathan.)*

Brought up, and read the First time.

5.30 pm

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I beg to move, That the clause be read a Second time.

The Temporary Chair (Mr Roger Gale): With this it will be convenient to discuss Government amendments 14 and 15.

Mr Robathan: The new clause reflects the importance that the Government place on their reserve forces, and amendments 14 and 15 are concomitant with it. The new clause is designed to align more closely the circumstances in which reservists may be called out in the United Kingdom with those in which regular personnel may be used. It would enable reservists to be deployed in the UK more widely than at present so that their skills can be used in a wider range of circumstances.

Legislation has been in place for some time allowing our reserves to be called out to serve on warlike or humanitarian operations worldwide. Indeed, it is worth stressing that there have been more than 24,000 reservist mobilisations in support of operations both at home and overseas, including Iraq and Afghanistan, since 2003. I am sure that the Committee would wish to pay tribute to those reservists who have deployed on operations—with some losses, I fear. During those operations, 27 reservists have made the ultimate sacrifice.

In the UK, local reserve troops were mobilised under existing legislation to provide assistance during the Cumbrian flooding in November 2009, and helped to build Barker bridge—so-called after the tragic death of Police Constable Barker during some of the worst UK flooding in living memory. This assistance could not have been provided so quickly and efficiently without the excellent support of reserves from the local Territorial Army unit. However, we do not have legislation in place to allow us to use the numbers of reserves available or their specialist skills in all appropriate circumstances. The Secretary of State's power to call out reservists in the UK is currently limited by the Reserve Forces Act 1996 to the defence of the realm or

"the alleviation of distress or the preservation of life and property in time of disaster or apprehended disaster."

There are many circumstances falling short of "disaster or apprehended disaster" in which reserves could make a valuable contribution, but under the existing legislation, they cannot be mobilised. I have in mind a number of examples. The first is the foot and mouth outbreak of 2001, when we could not call out reservists because the work that needed to be done was not to alleviate distress or preserve life or property. The second is a major disruption to the road and rail network, such as we saw at the beginning of this year, when reservists could not be mobilised to deliver vital food and blood supplies to a large number of people over a wide area, and when we had to resort at the last minute to volunteers. The final example is a requirement for unarmed, low-level support to the security operation for the London 2012 Olympic games. Currently in such circumstances, it would be possible to use regular forces because there is a power to use regulars for urgent work of national importance. This power has been used for a wide range of activities, such as dealing with the consequences of flooding, heath fires, severe snow, hurricanes and the foot and mouth outbreak of 2001.

I propose to amend the 1996 Act so that reserve forces, like regular forces, can be called out for urgent work of national importance. The amendment represents an improvement to the existing position, where there is one test governing whether regulars can be used, and another slightly different test governing whether reserves can be mobilised. Being able to mobilise reserve forces would offer a number of important practical advantages. First, there are more than 30,000 committed individuals in the volunteer reserves. Secondly, reservists are based in every part of the UK and can bring to bear important local knowledge in relation to local problems. Thirdly, this would enable us to draw on a range of specialist skills held in the reserves that do not exist in the regular forces—for example, medical skills, meteorological expertise, and rail and maritime expertise. Over the last decade, we have seen the ever greater integration of the reserves into our force capability. The new clause is proposed in that developing context. The Future Reserves 2020 study, which will report to the Prime Minister this month, is taking a wider look at the role of the reserves and making better use of their specialist skills. I expect the study to recommend that we should make more of the strengths and skills that reservists offer. The new clause represents a first step towards that.

Mobilisation is an essential tool for two reasons. First, it gives the Department the guarantee of the reservists' service; secondly, it activates statutory employment and financial assistance safeguards for reservists and their employers. These help to minimise any disruption that mobilisation may cause. Under the new clause, as now, no reservist will be out of pocket as a result of mobilisation, and every employer will have the right to apply for financial assistance that will allow him temporarily to replace any member of staff who is mobilised. In addition, existing restrictions on both the length of mobilised service that an individual can be required to undertake and the frequency of mobilisation will apply. Furthermore, reservists and their employers will be able to appeal against mobilisation under the proposed new power, just as they can under existing powers. There is also a further appeal to a tribunal that will be independent from the Ministry of Defence. In reality, the MOD works with employers to identify potential concerns at the earliest stage and support the employer throughout.

I hope that I have covered the major implications and benefits of the new clause. Let me stress that this change to the legislation strengthens the role of reservists in our armed forces and society more widely.

Government amendment 14 provides that the provisions in the Bill relating to the call-out of reserve forces will come into effect two months after it receives Royal Assent. That is the standard period of time for bringing provisions into force, and we see no need to deviate from the norm in this case. Government amendment 15 changes the long title of the Bill. The amendment is necessary because the new provision about the call-out of reserve forces is a subject that would not be covered by the long title as it stands.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): Let me begin by paying tribute to the men and women who serve our country as reservists. They show immense dedication to serving our country. As the Minister said, we have only to look at the vital role played by reservists in Iraq and Afghanistan to understand the importance of reserve forces.

The Government are undertaking a review into the future of reserve forces. If we are to believe what we read in the newspapers, reservists are likely to be given greater responsibility in the coming years. Indeed, the logical conclusion to draw from the strategic defence and security review is that we must seek to make the most of the assets that we have, and that includes the reserve forces. In bringing forward these amendments, the Government are perhaps pre-empting the conclusion of that review. The amendments give the Secretary of State greater powers to call in reservists. That is something that, in principle, we are more than happy to support; indeed, the Minister gave some good examples of the circumstances in which such powers would be useful. However, the Government need to be honest with the men and women of the reserve forces. If they are to ask them to do more, they also need to provide the necessary protection and support in the workplace. We are talking about people who join up to serve their country, and we have a duty to protect their jobs when they are mobilised. It is in this area that there are some questions for the Government to answer.

We know that the Secretary of State is not necessarily on the best of terms with the Prime Minister and his other Cabinet colleagues. I wonder whether there is much joined-up thinking taking place in Government about the role of reservists and the duty of care that we owe them. The Cabinet Office has a Red Tape Challenge website, which consults the public on legislation that could or should be scrapped. When launching the site, the Prime Minister wrote to all Ministers to say:

> "We know we have inherited far too much costly, pointless, and illiberal government red tape."

In the employment law section of the website, item No. 1 in the list of legislation up for being scrapped is the Reserve Forces (Safeguard of Employment) Act 1985. The Act states that reservists have a liability to be mobilised and provides two kinds of protection. The first is protection of employment, providing protection from unfair dismissal and making it a criminal offence for an employer to terminate a reservist's job without their consent solely or mainly because he or she has a liability to be mobilised. Secondly, there is a right to reinstatement. The Act provides a legal right to the reservist to be reinstated in their former job, subject to

[Gemma Doyle]

certain conditions. When pressed on this matter by my hon. Friend the Member for Barnsley Central (Dan Jarvis) at the most recent Defence questions, the Secretary of State refused to deny that those provisions were under consideration. The Government are therefore considering scrapping legislation that protects reserved forces employment on a day-to-day basis and when on a tour of duty.

Mr Robathan: The hon. Lady is making a good point, but I have to say that I am unsighted of the 1985 Act. I thought that it had been superseded by the Reserve Forces Act 1996. She obviously knows a great deal about this, but I thought that that was where the current regulations sat. Will she illuminate the matter for the Committee?

Gemma Doyle: Unfortunately, the Secretary of State did not make that clear when asked about this matter. If he or the Minister could give the Committee a concrete commitment on the protection of employment for reservists today, that would be very welcome. It cannot be right for the Government to consider asking more of the men and women of our reserve forces while cutting the protection that they need in their place of work. Will the Minister make an unequivocal commitment not to scrap the vital protection provided by the Reserve Forces (Safeguard of Employment) Act 1985 or, if he believes that it has been superseded, will he clarify the position? We support the new clause, but the Government must be clear about retaining the support and protection that the reserve forces expect and deserve.

Mark Lancaster (Milton Keynes North) (Con): I should like to speak briefly in support of new clause 12, but I must start by declaring my interest as a member of the reserve forces.

My understanding of the Reserve Forces Act 1996 is that it contains three separate sections under which a reservist may be mobilised: section 52, under which no one has been mobilised to date; section 54, which involves war fighting, and under which I was mobilised to Afghanistan; and section 56, to which the new clause relates directly, and under which I have previously been mobilised to Kosovo and Bosnia. I want to underline the points that the Under-Secretary of State for Defence, my right hon. Friend the Member for South Leicestershire (Mr Robathan) made in his opening remarks. It might seem odd that I am supporting a new clause that could result in my being mobilised even more often, but this amendment to the Act is long overdue.

Speaking from my experience as an explosive ordnance disposal operator, I want to add to the examples that the Committee has already been given. During 2003-04, under Operation Telic in Iraq, we found that as the threat from improvised explosive devices continued to grow, the call on our EOD operators also increased. The Committee might be aware that, here in the UK, we continue regularly to dig up world war two munitions. That constant threat is covered by a 24-hour operation known as Operation Midway, which is based in Wimbish, in Cambridgeshire.

The problem that we faced in 2004 was that, as the threat of IEDs grew in Iraq, our qualified bomb disposal officers were slowly being drawn out into theatre and we were struggling to cover the UK threat. Under section 56, members of the Territorial Army were mobilised to go and sit in Wimbish to cover the Operation Midway threat. It might surprise the Committee that most munitions are normally dug up on a Friday afternoon. They are invariably found on building sites, although probably not on a Friday afternoon. No one wants to interrupt the works, however, so the munitions magically seem to turn up on a Friday afternoon, which is an ideal time for the members of the Territorial Army who come in to play at weekends to deal with the munitions.

The terms of section 56 are clear. Subsection (1)(a) states that a reservist may be mobilised only

"on operations outside the United Kingdom for the protection of life or property".

Clearly, the UK disposal of munitions under Operation Midway does not count in that regard. Subsection (1)(b) states that a reservist may be mobilised

"on operations anywhere in the world for the alleviation of distress or the preservation of life or property in time of disaster or apprehended disaster."

Now the problem was that although that might cover UK operations at the time, was it fair to say that the potential digging up of a world war two munition in London was a potential disaster? It was very much a grey area. What tended to happen was that people were mobilised under section 56; they sat in Wimbish for a number of months and then, right at the end of their mobilisation, they would be deployed out to theatre in Iraq simply so they could be "covered" under the mobilisation. That was obviously nonsense, which is why I believe it is so important for the Government to introduce the new clause so that in such specialised situations—along with examples that the Minister provided—we can allow reservists' actions to continue.

5.45 pm

I would like to pick up on a couple of points that the hon. Member for West Dunbartonshire (Gemma Doyle) made about protection of the reserve forces. We must be careful when we use these powers. Few people in the reserve forces are not prepared to be mobilised, but when we start mobilising people for the second, third or fourth time, reservists are forced to answer an important question: are they prepared to give up their first career for a second career? Protections are in place so reservists can go back to resume their employment, but many employers, who might be incredibly supportive of the reserve forces, sometimes feel quite strongly about who they should promote.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): Does the hon. Gentleman feel from his personal experience that if people are constantly going to be asked to serve, it could act as a disincentive to joining the reserve forces?

Mark Lancaster: I am making the point that we must be careful how we use these powers. The point I was coming on to was that an employer might have to give the job back to an employee who has been away on mobilised service, but he does not necessarily have to promote him. Who is going to be promoted—the person permanently at work or the person who comes and goes every two or three years? I support the extension of these powers, but I add the caveat that we must be very

careful how we use them. We should not use them in a manner that could act as a disincentive along the lines that the hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne) suggested.

Christopher Pincher (Tamworth) (Con): My hon. Friend is quite right to say that we should be careful how we use these powers. Does he agree that we should also be careful how we communicate them to potential employers, so that they know exactly how the powers might be used and will not disadvantage people in the reserve forces?

Mark Lancaster: My hon. Friend makes a powerful point. I would like to commend both this Government and previous ones for the amount of support they have offered to SaBRE—the organisation that does so much to communicate with reservists' employers.

My final point, on which I seek some reassurance from the Minister, is that the new clause will make no amendments to section 57 of the Reserve Forces Act 1996, which deals with the duration for which a member of the reserve forces can be mobilised. Although it is a fairly complicated clause, the basic point is that a member of the armed forces can be mobilised for a maximum of nine months beyond their enlistment. If I read it correctly, that means mobilisation could run for a period of three years and nine months. It is unlikely that that has ever happened—I know of no example of it happening—but given what the new clause is intended to do for localised UK operations that are likely to be short in their enduring operation, I would ask whether the Minister is happy about the absence of any amendment to section 57 of the Reserve Forces Act 1996.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): I, too, pay tribute to the work of the reserve forces. Some time ago I was in Iraq and I was pleasantly surprised to see that the commanding officer at Baghdad airport was a reservist. Much good work is done by the men and women of the reserve forces. No doubt there will be greater calls on their time in the future, bearing in mind the likelihood of an announcement in the coming week or two.

Subject to what the hon. Member for West Dunbartonshire (Gemma Doyle) said, I think the amending provisions are perfectly reasonable. Indeed, if we think of the Civil Contingencies Act 2004, they are perhaps overdue. Unfortunately, we in the United Kingdom are subject to increasing natural disasters, with which I am sure the men and women of the reserve forces are more than adequately equipped to deal. They may well prove a useful addition to the powers that we already have to deal with what are, unfortunately, frequently occurring natural events.

Subject to the points raised by the hon. Member for West Dunbartonshire, I think that the new clause and amendments are perfectly reasonable, and that the Government were right to table them.

Mr Robathan: I am grateful to the right hon. Member for Dwyfor Meirionnydd (Mr Llwyd) and to other Members who have spoken for their generous support.

I do not know where the hon. Member for West Dunbartonshire (Gemma Doyle) gets her ideas. As far as I am aware—and I have seen them together—the Secretary of State is on very good terms with the Prime Minister and, I am sure, with his other Cabinet colleagues. They are probably on better terms than the shadow Chancellor, the right hon. Member for Morley and Outwood (Ed Balls), and the leader of the Labour party, although I am not sure about that. It is just what I read in the newspapers. Perhaps I am wrong, because one should not believe everything that one reads in the newspapers. When I last said that at the Dispatch Box I got into terrible trouble, not least because a newspaper correspondent was sitting in the Press Gallery. He wrote about me in a way that was not entirely polite. Anyway, I am sure that my right hon. Friends are on very good terms.

I can confirm that the new clause has been discussed with other Departments, and I understand that it has been cleared by the Cabinet, but it was discussed in particular by the Home Office, which deals with civil contingencies. I do not think that the hon. Lady need worry about that. As for the Reserve Forces (Safeguard of Employment) Act 1985, I will write to her about it, but I can tell her now that we have absolutely no intention of removing employment protection from reservists. Unlike the hon. Lady, I am not an authority on the Act, but I will write to her—I am looking at my officials now—to confirm that there is no intention of repealing the Act. The protection must, of course, continue.

I am grateful to my hon. Friend the Member for Milton Keynes North (Mark Lancaster), on the basis of personal experience. He gave the excellent example of Operation Midway, of which I had not known because, needless to say, it took place under the last Administration. As for the duration of deployment, I think that were we to deploy any reservist for three years and nine months, the House would have quite a lot to say about it. I am not minded to change the legislation, but I do not believe that circumstances would ever arise—apart from general war, which I hope we are not expecting—that required the mobilisation of people for that length of time. The hon. Member for Rhondda (Chris Bryant) is smiling. I hope that we are not expecting it, and I do not think we are, at least not in the review.

Chris Bryant (Rhondda) (Lab): We are not.

Mr Robathan: I thank the hon. Gentleman for his confirmation.

Question put and agreed to.

New clause 12 accordingly read a Second time, and added to the Bill.

Clause 31

COMMENCEMENT

Amendment made: 14, page 29, line 3, at end insert—

'(1A) Section [Call out of reserve forces] comes into force at the end of the period of two months beginning with the day on which this Act is passed.'.—*(Mr Robathan.)*

Title

Amendment made: 15, line 4, after 'Naval Medical Compassionate Fund Act 1915;' insert 'to make provision about the call out of reserve forces;'.—*(Mr Robathan.)*

Clause 1 ordered to stand part of the Bill.

Clause 2

ARMED FORCES COVENANT REPORT

Mr Llwyd: I beg to move amendment 2, page 2, line 5, leave out 'Secretary of State' and insert

'Minister for Former Armed Services Personnel'.

The Temporary Chairman (Mr Roger Gale): With this it will be convenient to discuss the following:

Amendment 16, page 2, leave out lines 8 to 12 and insert—

(a) education;

(b) accommodation;

(c) healthcare;

(d) mental healthcare;

(e) pensions and benefits;

(f) employment and training;

(g) support for reservists and their employers;

(h) the running of the Armed Forces Compensation Scheme;

(i) progress on Armed Forces rehabilitation services; and

(j) such other fields as the External Reference Group may determine.'.

Amendment 3, page 2, leave out line 11 and insert 'including—

(a) the operation of section 359C (Former Armed Services Personnel Rights Charter),

(aa) the operation of section 359D (Former Armed Services Personnel Support Officers),

(ab) the operation of section 359E (Financial Support for Former Armed Services Personnel Welfare Groups),

(ac) the operation of section 359F (Former Armed Services Personnel Policy Forum),

(ad) the effect of the following issues upon service people—

(i) welfare benefits;

(ii) housing;

(iii) healthcare;

(iv) education, including educational courses and training;

(v) employment advice;

(vi) budgetary and life skills;

(vii) debt management;

(viii) alcohol and drug treatment;

(ix) relationship skills/domestic violence courses for perpetrators and victims; and'.

Amendment 17, page 2, line 11, after 'housing', insert—

'(aa) in the operation of inquests'.

Government amendments 11, 12 and 13

Amendment 4, page 2, line 12, at end insert—

'(2A) The report shall include expert recommendations on improving the welfare of former armed services personnel.

(2B) Expert recommendations shall include a timeframe in which these recommendations should be implemented.

(2C) If the Secretary of State will not implement any of the expert recommendations as directed then he shall lay a report before Parliament explaining why they have not been implemented, within 40 days of the laying of the armed forces covenant report.'.

New clause 2—*Minister for Former Armed Services Personnel*

'After section 359A of Armed Forces Act 2006, insert—

"359B Minister for Former Armed Services Personnel

(1) A Minister shall be appointed within the Cabinet Office who shall be known as the Minister for Former Armed Services Personnel.

(2) The roles and responsibility of the Minister shall be set out by the Secretary of State for the Cabinet Office by order and shall include—

(a) Laying the Annual Armed Forces Covenant Report, in conjunction with the Secretary of State for Defence.

(b) Conducting such activities as shall be seen to be positive for the well-being of former armed services personnel.

(c) Conducting detailed and independently verifiable research to establish a baseline on which future progress can be measured.

(3) The Minister for Former Armed Services Personnel shall be appointed within three months of Royal Assent to the Armed Forces Act 2011.".'.

New clause 3—*Former Armed Services Personnel Rights Charter*

'After section 359B of Armed Forces Act 2006, insert—

"359C Former Armed Services Personnel Rights Charter

(1) A Former Armed Services Personnel Rights Charter shall be published, indicating the rights to assistance that former armed services personnel shall expect.

(2) The Former Armed Services Personnel Rights Charter shall be made by a Minister of the Crown by order made by statutory instrument and include—

(a) the requirement to undergo a psychological assessment immediately prior to leaving the armed forces,

(b) the requirement of a resettlement assessment, conducted approximately six months prior to the expected date of discharge,

(c) the requirement of access to advice from relevant voluntary organisations, approximately three to four months prior to the expected date of discharge, regarding the following possible needs—

(i) welfare;

(ii) housing;

(iii) educational course and training;

(iv) employment advice;

(v) budgetary and life skills;

(vi) debt management;

(vii) alcohol and drug treatment; and

(viii) relationship skills/domestic violence courses.

(d) the requirement of back up support and advice, provided in person, by telephone and other reasonable means, to all former armed services personnel at any point within the first six months following discharge,

(e) the requirement of tailored support for former armed services personnel in the criminal justice system,

(f) any other relevant assistance considered necessary by the Minister in pursuit of the improvements in former armed services personnel welfare.

(3) The Former Armed Services Personnel Rights Charter shall be published following consultation with relevant stakeholders.

(4) "Relevant stakeholders" includes members of veterans' support agencies.

(5) The Former Armed Services Personnel Rights Charter shall be introduced within one year of Royal Assent to the Armed Forces Act 2011.

(6) The operation of the Former Armed Services Personnel Rights Charter shall be reported upon in the Armed Forces Covenant Report.".'.

New clause 4—*Former armed services personnel support officers*

'After section 359C of Armed Forces Act 2006, insert—

"359D Former Armed Services Personnel Support Officers

(1) A former armed services personnel support officer post shall be appointed in each prison and probation service in England and Wales.

(2) The role of the former armed services personnel support officer shall be to ensure continuation of support in the criminal justice system.

(3) Former armed services personnel support officers shall be appointed within one year of Royal Assent to the Armed Forces Act 2011.

(4) The operation of the former armed services personnel support officers shall be reported upon in the Armed Forces Covenant Report.".'.

New clause 5—*Financial support for former armed services personnel welfare groups*

'After section 359D of Armed Forces Act 2006, insert—

"359E Financial Support for Former Armed Services Personnel Welfare Groups

(1) Financial support shall be provided for former armed services personnel welfare groups in each financial year to provided assistance to former armed services personnel.

(2) Former armed services personnel welfare groups eligible for such financial support shall be those approved by the Minister.

(3) The criterion for such eligibility shall be published by the Minister following an independent scoping study into the needs of former armed services personnel and the services currently available which will provide a baseline for future progress.

(4) The independent scoping study shall be published not later than one year after the Royal Assent to the Armed Forces Act 2011.

(5) The operation of the Financial Support for Armed Services Personnel Welfare Groups shall be reported upon in the Armed Forces Covenant Report.".'.

New clause 6—*Former Armed Services Personnel Policy Forum*

'After section 359E of Armed Forces Act 2006, insert—

"359F Former Armed Services Personnel Policy Forum

(1) A Former Armed Services Personnel Policy Forum shall be created to ensure best practice in the treatment and discussion of veterans' welfare issues.

(2) The Former Armed Services Personnel Policy Forum shall have membership comprising representatives of the statutory, private and voluntary sector.

(3) The chair and members of the Former Armed Services Personnel Policy forum shall be appointed by the Secretary of State following consultation with relevant stakeholders and shall include a government representative.

(4) The criterion for membership and responsibilities of the veterans' policy forum shall be determined by the Secretary of State following consultation with relevant stakeholders.

(5) "Relevant stakeholders" shall include Ministers in devolved legislatures and veterans' support agencies.

(6) The Former Armed Services Personnel Policy Forum shall report from time to time to the relevant authority.

(7) "Relevant authority" means Ministers responsible for the implementation of policies relating to veterans' welfare, including Ministers in devolved administrations.

(8) The Former Armed Services Personnel Rights' Policy Forum shall be introduced within one year of Royal Assent to the Armed Forces Act 2011.

(9) The operation of the Former Armed Services Personnel Policy Forum shall be reported upon in the Armed Forces Covenant Report.".'.

New clause 13—*Armed Forces Advocates*

'After section 359 of AFA 2006 insert—

"359B Armed Forces Advocates

(1) The existing network of Armed Forces Advocates will be extended through the nomination of supporting advocates at regional and local level to ensure that local authorities work together to identify and resolve issues in local policy or the delivery of services that may affect service people.

(2) In this section "Armed Forces Advocate" means public servant nominated to monitor and resolve policy or legislative issues that arise for service people.".'.

New clause 14—*Duties of ombudsmen and Covenant commitments*

'After section 359 of AFA 2006 insert—

"359C Duties of Ombudsmen and Covenant commitments

'The Parliamentary and Local Government Ombudsmen shall have the duty to investigate complaints from service personnel that a public body or local authority has failed to meet the commitments outlined in the 'The Armed Forces Covenant' and 'The Armed Forces Covenant: Today and Tomorrow'.".'.

New clause 17—*Duties of public bodies and Ministers*

'(1) In preparing policy, public bodies and Ministers must have regard to those matters to which the Secretary of State is to have regard in preparing an armed forces covenant report, under subsection (2A) of section 359A of AFA 2006.

(2) In preparing policy, public bodies and Ministers must consider whether the making of special provision for service people or particular descriptions of service people would be justified.'.

Mr Llwyd: I am pleased to be able to speak to the amendments, but also rather baffled by the fact that I was unable to raise my points earlier. Although I spoke on Second Reading and expressed a strong interest in being involved in the earlier Committee stage, I was unfortunately denied that opportunity. For the first time in the current Parliament, the number of Members dealing with a Bill in a Select Committee was reduced so that a representative of a minority party would not be present. I am sure that my disappointment is shared by my colleagues the hon. Members for South Antrim (Dr McCrea) and for Upper Bann (David Simpson). Be that as it may, however, I am very glad to have been given the opportunity to speak.

My amendments and new clauses focus on the need to strengthen the provision of welfare for veterans of the armed forces, an issue on which I have been campaigning in the House and outside for a number of years. They would establish a more robust structure of support for personnel leaving the forces, and would ensure that veterans were not disadvantaged in any way when trying to gain access to public services as a result of the service that they had given. They were heavily influenced by the recommendations made by the justice unions parliamentary group on veterans in the criminal justice system, of which I am chair. They also deal with the need to enshrine the military covenant in law, a move that I am glad to hear that the Government will be making in the coming months via the Bill. I hoped to see a little more detail about the covenant in the Government amendments, given that the devil is always in the detail, but the Government have at least acknowledged the need to uphold, maintain and develop further that all-important relationship between our armed forces and the public.

My amendments set out what we in the justice unions parliamentary group believe is a firm course of action to tackle the problems faced by vulnerable veterans, and it is my earnest hope that the Committee will give them due consideration. New clause 2 and amendment 2 seek to introduce a Minister for Former Armed Services Personnel, who would sit in the Cabinet Office and among whose responsibilities would be the laying of the armed forces report before Parliament each year. Most important, the Minister's remit would extend across

[Mr Llwyd]

Departments, and he or she would therefore be ideally placed to tackle veterans' issues, needs and priorities in an holistic way.

The Bill provides for the armed forces report to be laid by the Secretary of State for Defence. I mean to cause no offence whatsoever to the present Secretary of State in arguing that a Minister with such a wide remit cannot possibly hope to dedicate as much attention to that document as I believe it deserves, and that the report should therefore be written by someone whose sole ministerial responsibility lies with veterans' welfare and who will not be unduly compromised—in the strict sense—by other vested interests.

Amendment 3 seeks to broaden the remit of the armed forces report, and is relevant to a number of new clauses to which I will return briefly later. Amendment 16, tabled by the hon. Member for West Dunbartonshire (Gemma Doyle), makes many of the same points. My recommendations were made before the earlier Committee stage, from which I was excluded, but I am glad that they can be raised in the Chamber now.

As Members will know, the Bill specifies that an armed forces covenant report shall be laid before Parliament each year, and shall cover the effects had by membership, or former membership, of the armed forces seen in the fields of health care, education, and housing. Let me make the genuine observation that that is a welcome step, given that the regulation of the services available to veterans is a prerequisite for improvement of those services. I believe that the proposed report's remits do not go far enough, however. My amendments demand that they inquire in greater depth into how having a military service background affects personnel in obtaining public services. The report should not simply discuss education, housing and health care; I have specified that it should also cover other subjects, including welfare benefits, employment advice, budgetary and life skills, debt management, alcohol and drug treatment and relationship skills.

6 pm

The most important amendment is that stipulating a series of issues to be covered in the armed forces report as, crucially, it demands that it covers far more areas. In the Select Committee, the hon. Member for West Dunbartonshire said that

"Tony Stables of the Confederation of British Service and Ex Service Organisations—from the armed forces families federations and from the Forces Pension Society"—

wanted the list of subjects covered by the report to be extended and that there was disappointment about their appearing to be limited to only three. I appreciate that the Secretary of State will have the power to increase the number of subjects if he desires, but, to put it simply, there is no point legislating for an armed forces report to be laid before Parliament if it provides only a limited vision of the problems it needs to address. The bare fact is that veterans do not often encounter these problems in isolation, as the factors that contribute to social estrangement are far more likely to be encountered as a package. Often, although not always, these problems arise contemporaneously; for example, employment advice cannot be fully given without due consideration also being given to debt management, further training, re-skilling and housing.

When personnel leave the armed forces, they will almost certainly need to find a job, as the services tend to recruit their personnel at a young age, and they often retire from the services long before standard retirement age. Little advice or provision in respect of resettlement is given to service leavers, however, particularly if they have served for fewer than four years, although that largely depends on details such as their regiment and where they are stationed. This problem is particularly stark for early service leavers, and studies have shown that they are at far greater risk of suicide, substance misuse, debt, crime and homelessness. That is why it is so important that the covenant and its associated reports pertain to all veterans regardless of the period of time for which they have served.

Chris Bryant: For the record, I think it is a shame that the full range of views in the House were not represented on the Committee in question because a Member such as the right hon. Gentleman was unable to serve on it.

New clause 3 states that there should be a requirement to undergo a psychological assessment immediately prior to leaving the armed forces. Does the right hon. Gentleman that think there would also be value in making sure there is a psychological assessment on entering the armed forces, as many of the young men and women who enter the armed forces have psychological needs, and they ought to be met while they are serving members, and not considered only when they leave?

Mr Llwyd: That is a sensible suggestion, and I am pleased that it is on the record. The hon. Gentleman is right that such tests should be undertaken.

Oliver Heald (North East Hertfordshire) (Con): Having served on Committees with the right hon. Gentleman, I know that he always makes an important contribution. On the question of whether his proposal is the best way of ensuring all disadvantages are covered by the report, does he share my concern that by listing all the various areas, he may, in some sense, be prescribing them, and that it would be better instead to leave some discretion with the Secretary of State to be able to look at any disadvantage and report on that, because it is hard to predict exactly where such disadvantages may lie?

Mr Llwyd: I have no doubt that the hon. Gentleman makes that point with complete sincerity, but the Secretary of State can look at further areas in any case; he is not limited to dealing with only certain areas. One matter is of concern to me, however, especially from having spoken to representatives of the Soldiers, Sailors, Airmen and Families Association. Not so long ago, I spoke with a gentleman who told me that about 70% of the work he does is debt management, and, unfortunately, drug and alcohol abuse are also big issues. I felt that by specifying these areas, they could at least be identified. This is not intended to be an exhaustive list, so the Secretary of State would not be prevented from looking at other issues. I understand the point the hon. Gentleman makes and appreciate the way in which he expressed it, but I do not think listing would necessarily cause any harm.

SSAFA suggests that debt management is one of the greatest problems facing former armed services personnel, since being in the military provides stable employment for them. Armed forces personnel are thus able to

access relatively high levels of credit, although little or no training is given to them on how to control their finances. On leaving the forces without proper financial management training, problems with debt can easily arise, and lead to homelessness and crime.

When leaving the forces, an individual is officially made homeless. Former servicemen and women—although it should be pointed out that this problem is primarily associated with men—often end up relying on relatives or friends for temporary accommodation, putting strains on relationships in the process. If they are unable to gain employment, the patience of their relatives may wear thin, while, perversely, an inability to provide a permanent address decreases the likelihood of their finding a job. Ex-servicemen are thus catapulted into a vicious circle of social exclusion, which can be tackled only by strengthening the advice available to them prior to discharge. I shall briefly return to this point.

Equally importantly, the armed services report must give an account of how service life can increase the likelihood of people turning to drug and alcohol abuse. Post-traumatic stress disorder receives much attention in the press, but it is alcohol and other substance addictions that present the most significant threat to veterans' mental health. Regrettably, anecdotal evidence suggests that at certain stages of Army life, alcohol is treated as a catalyst to unwinding—or, to use the fashionable phrase, self-medication.

Chris Bryant: Unlike in Parliament!

Mr Llwyd: Yes, as the hon. Gentleman humorously says, unlike in Parliament, but let me return to my serious point.

It cannot be a coincidence that so many veterans leave active service displaying an over-dependence on alcohol. I hardly need say how quickly such a dependence can, if left totally untreated, feed into other habits, violent behaviour and crime. That is why I would like the report to address the point of counselling on substance misuse playing a vital part in, as it were, the decompression of personnel.

As those who have worked with or encountered veterans grappling with social estrangement will testify, these problems often do not arise singly, but are part of a package of social hindrances faced daily. It is thus only right that the report should take account of the multi-faceted nature of this rupture. Amendment 4 specifies that the report should take into account the recommendations of a panel of outside experts in the field, as well as specify a time frame in which they should be implemented. Proposed new subsection (2C) to clause 2 ensures that the Secretary of State is obliged to implement recommendations, rather than simply write things he or she has no intention of doing, by the fact that he or she must lay a further report before Parliament within 40 days of the laying of the initial report, explaining why certain recommendations have not been implemented.

Amendment 3 also specifies that the report should outline the operation of the former armed services personnel rights charter, the former armed services personnel support officers, financial support for former armed services personnel welfare groups and the former armed services personnel policy forum, all of which are explained in the Bill.

New clause 3 pertains to the former armed forces personnel rights charter, which would put in legislation an obligation on the Government to ensure that veterans undergo psychological assessment before leaving the armed forces—and possibly on entry, as has been said; that they have a resettlement assessment approximately six months before the expected date of discharge; that they have access to advice from voluntary organisations on how to combat potential problems after leaving the forces; and that they are given access to that advice in good time before they are discharged.

At the moment, many veterans feel when that when leaving the forces people are on their own. Regardless of whether that is the case, I think we need to intensify personnel's awareness of the support that is available to those who need it.

Mrs Louise Mensch (Corby) (Con): It is a great pleasure to be able to intervene on the right hon. Gentleman and take this opportunity to thank him for his incredible work for veterans not just in this Parliament but over many years, for which the entire House will commend him. May I put it to him, however, that his amendments are, as my hon. Friend the Member for North East Hertfordshire (Oliver Heald) pointed out, a little too prescriptive? Does the right hon. Gentleman agree that a simpler way to address the needs of our veterans would be for this country to have a veterans' administration or Department, as every other nation in the English-speaking world does?

Mr Llwyd: I thank the hon. Lady for her very generous comments, but I visited the United States in September and I visited the veterans' agency. It is the second largest Department of State in the United States and it costs an absolute fortune to run. It was put in place, I believe, because the United States had to deal with the fallout of Vietnam. There is a much smaller scale operation in Canada. In an ideal world, the hon. Lady would be right, but in these straitened circumstances, it would be rather unrealistic of me to make that call. I hope that in the not-too-distant future we, too, will have such a Department. I do not make that call now, because I do not think it is realistic so to do.

I take the hon. Lady's point about my amendments being prescriptive and so on. It is a moot point: I may well be wrong and she may be right; I do not know. One thing we should consider urgently, however, as I have mentioned, is having a Minister in the Cabinet Office to cross-cut all available services and to consider everything in each Department that might or might not impact on veterans. I think that would be a useful step forward, albeit that it is not so dramatic a step as a veterans' Department, which, at the end of the day, she and I would undoubtedly favour although it is perhaps unrealistic to call for it at this stage.

Mr James Gray (North Wiltshire) (Con): I am a little uneasy about the right hon. Gentleman's proposal about a Minister in the Cabinet Office and about the proposal made by my hon. Friend the Member for Corby (Mrs Mensch) for a Department for veterans' affairs. It seems to me that the Secretary of State for Defence, the three services under him and under them the regiments and units to which people are attached are responsible for looking after veterans when they leave the services.

[Mr James Gray]

To remove that responsibility from them and to give it to somebody else in the Cabinet Office or a separate Department would seem to me to be quite wrong.

Mr Llwyd: The hon. Gentleman misses my point. That Minister would look at every single Department in turn, including the MOD, and when there was some form of engagement with veterans in that Department he or she would report accordingly on whatever he or she found to be the case. The responsibility would ultimately still lie with the military. I say, with the greatest of respect to the hon. Gentleman and those from the military who might be listening, that hitherto the military has not been very good at looking after veterans and that is why I am on my feet at the moment.

Sandra Osborne: I, for one, would love to see a dedicated Department for veterans in this country, notwithstanding the expense. If we feel that they deserve recognition, we should be prepared to put our money where our mouth is, perhaps not right now but in the future. Does the right hon. Gentleman agree that the huge step forward we are witnessing today is that the military covenant will be in law, which the Government previously resisted? That is a huge step forward.

Mr Llwyd: The hon. Lady is right and I do welcome that. It is a step forward, for sure.

6.15 pm

Chris Bryant: The right hon. Gentleman has rightly referred to drug and alcohol abuse, which is unfortunately prevalent among large numbers of those who have served in our armed forces and among some in the armed forces. Sometimes the solutions are not all state run, however. The most successful organisation in helping people with alcohol dependency is Alcoholics Anonymous and, sometimes, the state and the Ministry of Defence have been rather reluctant to involve voluntary organisations such as Alcoholics Anonymous in helping people out of their addiction.

Mr Llwyd: I am sure that is right—I have no argument with that—but what is to prevent signposting and sending personnel to be assessed? For example, just down the road from here is an organisation called Veterans' Aid, which is run by Wing Commander Hugh Milroy. Under his good offices, very few ex-service people are sleeping rough in London. There were quite a number of them 10 years ago; now there are hardly any. He has done that work. There are numerous organisations doing excellent work for ex-forces personnel, but I am arguing for a more consistent approach across the piece—a more holistic approach. I could use the words "postcode lottery": there are good services and good practice, but we need to ensure that they are accessible across the piece and across all the constituent parts of the UK, wherever veterans are, wherever they served and whichever regiment they were with.

Mr Robathan: At the risk of incurring your wrath, Mr Gale, I am sure that the right hon. Gentleman and all in the House would like to join me in congratulating Wing Commander Milroy on his richly deserved OBE in the birthday honours only last Saturday.

Mr Llwyd: I am delighted to congratulate Wing Commander Milroy on that—it is a well-deserved honour for a lot of hard work in difficult circumstances.

I do not want to take up too much time this evening, so I shall seek to truncate my remarks. Let me explain one or two more amendments. I will not press the Committee to a Division, because I want to make my points and to return to them at another time.

New clause 3 specifies that back-up advice, in person and by telephone, should be made available for the first six months following discharge. Finally, tailored support should be made available for former armed services personnel in the criminal justice system. The issues surrounding veterans who come into contact with the criminal justice system have been the subject of debates in this House and I shall not go into great detail about them now, but holistic support is required, I believe, for such veterans to ensure that they get the support they need.

New clause 4 would appoint a support officer for former armed services personnel in each prison and probation service in England and Wales. That might sound a bit airy-fairy and pie in the sky, but those people are out there. They are often people who are interested in the subject and who are ex-service personnel, but that turns on the question of whether we have the ex-services personnel in a prison, which is often the key to whether services are properly delivered for these people.

Bob Stewart (Beckenham) (Con): I just want to make one comment, which is that a heck of a lot of people leave the armed forces and go on to lead perfectly normal, decent lives. They do not need help and I am a little worried that we are giving the impression that everyone needs some sort of help. They do not; only a small percentage of people require that help.

Mr Llwyd: I agree entirely and I do not want to give the false impression that the majority of service leavers are in dire need of help. That has never been true and never will be. I fully take the hon. Gentleman's point on board and I agree with what he says. He, of course, comes from a service background and knows this patch rather well—probably far better than I do.

Hon. Members: But he needs quite a lot of help!

Bob Stewart: Thank you very much!

Mr Llwyd: I will move to finish my remarks fairly quickly because we are subject to some rather strange remarks at the moment.

The role that support officers would play would be to ensure that relevant individuals who came into contact with the criminal justice system received support while they were held within the system. Only a small percentage end up in the criminal justice system, but it is entirely possible that a goodly number of those people would not be in the prison system if they had been assisted in other ways when they came out of the services. That is

my point. As far as the numbers are concerned, I am not saying that the majority are affected, as that would be absolute nonsense.

Concurrent with the need for support officers is the need to improve the recording of the number of veterans held in prisons, on probation or on parole. At no time hitherto has an individual been asked, upon entry to the justice system, whether they have a service record, but that is now changing I am pleased to say. I shall not go into this topic at length, but I note that a survey conducted by the Home Office in 2001-02 recorded that roughly 6% of inmates were veterans, whereas a survey carried out by the MOD in 2007 estimated the percentage in one prison, Dartmoor, at 17.5%. I shall not get into bandying figures around, as we have had this debate before. These are MOD figures, not mine or NAPO's. I remember that the last time we had such a debate everyone clubbed together to denigrate Harry Fletcher, but these are not his figures.

Mr Kevan Jones (North Durham) (Lab): Stop making them up then.

Mr Llwyd: I am not making them up.

Mr Jones: I know that discussion of this issue can be a bit like "Groundhog Day", but when I was a Minister, I—under pressure from the right hon. Gentleman, who takes a great interest in this matter—had the Ministry of Justice's figures, going back to 1967 for the Royal Air Force, cross-referenced with service records and the figure came out at just over 3%. That is not to dispute the fact that there might be more of those individuals in certain prisons, but the facts were established independently and I do not know why certain people keep disputing them.

Mr Llwyd: I will tell the hon. Gentleman why, if we have time to talk turkey. They are disputed because of the scoping exercise that was recently carried out, which came out with a figure of about 5% or 6%. The figure does not really matter, but figures he mentioned excluded women who had served, the reserve forces, those who had served in Northern Ireland and people under 18.

Mr Jones *indicated dissent.*

Mr Llwyd: They certainly did, but the hon. Gentleman and I can argue about that elsewhere. I am sure that they did; I would not say so otherwise.

Mr Gray: May I make a subtler point, rather than disputing the numbers? Although some of the people we are discussing may theoretically be veterans, in that they may have served in the armed services at some time, the only ones we should be concerned about and who need special care of the kind being described would be those who have recently left the armed services, possibly having had combat experience, and those whose crimes can be directly attributable to their service. The mere fact that someone perhaps did national service 30 years ago should not necessarily distinguish them from other prisoners.

Mr Llwyd: I agree. The only slight note of caution I would add is that, whatever the figure, there are a number of cases of post-traumatic stress disorder and, as the hon. Gentleman knows, PTSD can show itself within a month or can take 15 years to develop.

New clause 5 sets out that financial support shall be made available for ex-services personnel. Let me take this opportunity to pay tribute to the invaluable work of service charities. New clause 5 also sets out the importance of conducting a study of the services already available to veterans, which would provide a baseline for future progress. There is perhaps a little too much room for overlap in some services, whereas some needs are hardly catered for at all. Joining services together and learning from best practice would establish a holistic means to tackle the problem.

Finally, new clause 6 would establish a veterans' policy forum that would draw its membership from the statutory, private and voluntary sectors. The aim of this forum would be to consult the Government on best practice in the treatment of veterans and their welfare. This once again rests on the vital importance of those with vested interests in this field working together so that no veteran will be made to feel abandoned by a system that is unable to tackle the peculiar problems they might face. I note that a number of amendments surrounding the military covenant have now been withdrawn. I know not what the reason for that is, but I conclude by saying that having the covenant in statutory form is a historic step. I hope that our debates on these clauses will lead to further action being taken in the not-too-distant future as well.

Gemma Doyle: I wish to move amendments 16 and 17—is that in order, Mr Gale?

The Temporary Chair (Mr Roger Gale): Order. The hon. Lady may speak to any of the amendments that have been grouped. They will be moved, if they are moved, when they are reached at the appropriate point in the Bill, so it is simply a question of speaking to them now.

Gemma Doyle: Thank you for that clarification, Mr Gale. I will speak to amendments 16 and 17 and to new clauses 13, 14 and 17. As the Committee knows, the vast majority of debate and discussion on the Bill has been about clause 2 and specifically about the military covenant and how best to ensure that it is honoured. Our concern all along has been to ensure that the Government achieve what they have said they want to achieve by enshrining the covenant in law. At the heart of this debate is the overriding principle that no one should be disadvantaged because of their military service. Indeed, many service families have told me that they do not want special treatment—just fair treatment. I welcome the Government's amendments as a step in the right direction on the military covenant, but the path to get them to this point has been far from graceful. It has been both tortuous and frustrating to watch Ministers deny what was in black and white on paper in front of them, but however they got here I am certainly glad that they have progressed.

We spent many hours debating the covenant in the Select Committee, with the Government arguing both that the unamended Bill enshrined the covenant in law and that it was not necessary to do so. I am not sure whether they have changed their minds on either or both of those points, but I welcome the change of heart

[Gemma Doyle]

none the less and I am pleased to confirm that we support the amendments in the name of the Minister for the Armed Forces although they are not as strong as we had hoped. They enshrine in law the principles of reporting to Parliament, but they are still a step away from fully enshrining the covenant in law. I suspect that Ministers have once again been thwarted by lawyers and civil servants.

Bob Russell (Colchester) (LD): Does the hon. Lady accept that what we have before us is a vast improvement on the situation a year ago?

Gemma Doyle: The amendments tabled today are a vast improvement on the Bill as it stood. If the hon. Gentleman agrees with that, I wonder why he did not support my amendments in the Select Committee that would have achieved that. Instead, he voted down any proposals to strengthen the covenant or the Bill.

New clause 17 would fully enshrine—

Mr Robathan: Will the hon. Lady give way?

Gemma Doyle: I should like to make a little progress before the Minister—

Mr Robathan: We have plenty of time.

Gemma Doyle: I should at least like to finish my sentence if that is all right.

New clause 17 would fully enshrine the principles of the covenant in law, not half-heartedly but unambiguously.

6.30 pm

Mr Robathan: The point the hon. Member for Colchester (Bob Russell) was trying to make was that between 1997 and 2010 there was a Labour Government—new Labour, old Labour or whatever we like to call them—and nothing was done. I do not hold the hon. Lady responsible because she was not in the House then. As the hon. Gentleman pointed out, when we took office a year ago there was no mention of the covenant, yet now we are putting it on a statutory basis for the first time. I think I first used those words in the House on 10 January.

Gemma Doyle: On frequent occasions, the right hon. Gentleman has acknowledged that plenty was done for veterans under the previous Government, including the creation of his job. If he wants to keep it, perhaps he should have got this right in the first place.

New clause 17 would place a duty on all Departments and public bodies to give consideration to service families and veterans in policy making and implementation. Although it is very welcome that the Secretary of State will report to the House, I would rather such matters were integral to the policy-making framework from the beginning and the new clause would ensure that.

Chris Bryant: In her amendment 16, my hon. Friend draws a distinction—unlike the Bill—between health care and mental health care. Many people hope that there will one day be a time when nobody has to draw that distinction because we treat the two exactly the same, but unfortunately it is still an important area that we have to highlight, particularly for armed forces veterans, because all too often there is a Cinderella service that gets no attention. Does my hon. Friend think that it is essential to maintain that distinction? Otherwise, Ministers might just put a single sentence about mental health care into the Bill and that would be wholly insufficient.

Gemma Doyle: My hon. Friend makes a very good point. Without amendment 16, there will be no requirement whatever for the Secretary of State to look at mental health care or to come to Parliament to report on it. As I have said on a number of occasions, I welcome both the duty on the Secretary of State to report to Parliament and the consequential annual debate, but I still have great concerns that as the Bill stands, only health, education and housing are cited as issues that the report should cover. That is not sufficient. The list in amendment 16 is more comprehensive and more appropriately reflects the Secretary of State's responsibilities.

Christopher Pincher: I am grateful to the hon. Lady for giving way. It was a pleasure to serve with her on the Select Committee on the Armed Forces Bill. She says that she is keen to see things in black and white, and she refers to the prescription that she would like to see on the face of the Bill. May I point her to the evidence given by Chris Simpkins of the Royal British Legion in answer to my question? I asked:

> "You seem to accept, therefore, that having a prescriptive set of pillars—areas that need to be focused on—in the Report would make it too exclusive and that it is better to have three or four areas that are clearly set out, as required by law, and a catch-all clause to incorporate anything else that is necessary at a point in time."

To which Mr Simpkins responded, "I would indeed." Why does the hon. Lady think she knows better than the director general of the Royal British Legion?

Gemma Doyle: I thank the hon. Gentleman for his intervention. He and I have debated that point before and, as he knows, I think he is confusing a list of prescribed entitlements with a list of issues on which the Secretary of State has to report. My point all along has been that the Secretary of State should not be reporting on the work of other Departments without reporting on the work of his own Department. It would be bizarre if a report criticised local authorities, or indeed the Department for Education, for disadvantaging the children of service people, but had no reference at all to the MOD's responsibilities, such as pension provision for the armed forces. I cannot envisage a time in the near future when pension provision will not be an area of concern for our armed forces, so it should be included in the list.

The list does not limit the fields on which the Secretary of State should report; it expands them and makes provision for further relevant issues to be included as circumstances dictate.

Mr Robathan: When the Secretary of State comes to the House to make his annual report and, if the hon. Lady is still in her place—

Mr Kevan Jones: Or you are.

Mr Robathan: Very unlikely, if I may say so—as the hon. Lady has already suggested.

Is the hon. Lady telling the Committee that, if she is still in her place and there is no mention in the report of pension provision or mental health care—on which we are doing a great deal of work, as she knows; my hon. Friend the Member for South West Wiltshire (Dr Murrison) has done a lot of work for us and we are taking it forward—and she thinks that is an issue, she will not mention it?

Gemma Doyle: I give the Minister a categorical assurance that I will mention it. My concern is whether the Secretary of State will even consider those issues. As the Bill stands, he does not have to; he need only look at education, health and housing, and that is not good enough.

I should have liked to explore further with the Minister why education, health care and housing had been chosen at the expense of the many other issues that have been of great concern over the past 12 months. However, he declined to give evidence on his Bill.

I am also concerned that there is nothing in clause 2 that applies to Scottish or Welsh veterans. At the very least, the Bill should be amended to send a clear signal about the UK-wide responsibilities of the Secretary of State. If the family of a Scottish service person live off-base in local authority housing, their housing requirements are devolved. We have been advised that the Secretary of State will update the House even when those matters are devolved. It seems odd that such a thing could happen, because the Secretary of State is not responsible for the delivery of devolved services; nor is he or she accountable, and thus could not answer questions on the matter.

Sandra Osborne: I am quite surprised to hear my hon. Friend say that. I understood in the Select Committee that the Government had undertaken to discuss that with the devolved Parliaments. I would have expected it to be resolved, including legislation, by now.

Gemma Doyle: I entirely agree, but the correspondence I have seen does not indicate that that is the case.

Mr Robathan: May I help the hon. Lady?

Gemma Doyle: Please do.

Mr Robathan: I think the Opposition are fishing in desperation for things to get excited about, but they do not need to. I have in my hand a letter from the right hon. Alex Salmond, who describes himself as the First Minister of Scotland, for that is indeed his post. The letter is dated June, although I cannot actually read the day. It thanks the Secretary of State for Defence for his letter about the armed forces covenant and states that the Scottish Government have and will continue to provide unequivocal support for the armed forces, families and veterans. I shall not read the whole thing out, but it welcomes the new armed forces covenant as an important step forward from the 2008 service personnel Command Paper.

There is no disagreement between us. We are in discussion with the devolved Administrations. We are interested in results, rather than the box-ticking that the hon. Lady describes.

Gemma Doyle: The letter that the right hon. Gentleman has read out does not address the point I just made. Constitutional issues are involved. I believe that it would be unconstitutional for the Secretary of State to stand at the Dispatch Box here and report on devolved matters. My understanding is that if I were to secure an Adjournment debate on a devolved matter, it would not be taken on the Floor of the House. It would be ruled out of order, as indeed it should be. I am afraid that the letter to which the right hon. Gentleman refers does not address that point.

However the process with the devolved Administrations is handled, the inclusion of pensions and benefits as a defined area in the report would ensure that the report reflected issues for service people throughout the whole United Kingdom. As the Bill stands, Scottish and Welsh veterans in particular are being ignored. Fundamentally, I want the Secretary of State to come to Parliament and report on the matters for which he or she is responsible.

It is one thing to talk about the military covenant; the real test is how that acknowledgement is reflected in the decisions of Ministers. Their actions mean that thousands of servicemen and women will be made redundant, many more will see cuts to their allowances and all will be hit disproportionately hard compared with other workers by plans to downgrade public sector pension rises. These are just some of the many decisions taken by the Government in the past 12 months that have undermined the military covenant and given no cognisance to the unique nature of the work that our armed forces do. I am glad the Bill will recognise that through amendment 11, and I hope that Ministers will reflect that in their decision making, in which such recognition has been absent so far.

Christopher Pincher: The hon. Lady talks about honouring the armed services. Does she not think that a £38 billion black hole in the armed services budget dishonours the armed services—a black hole that her Government left behind?

Gemma Doyle: I should like to see the hon. Gentleman justify and explain that figure. It is not true, as he knows.

Chris Bryant: I am interested in outcomes as well. One of my concerns has been that armed forces personnel who live in different parts of the United Kingdom end up being treated rather differently because of the devolution settlement. That is not an argument to undo the devolution settlement; it is simply to say that, for instance, council tax relief for second homes for those who live in Army bases in Wales has been allowed at a different rate from that in England and in Scotland. It would be a good thing to be able to highlight those differences so that all the different elements of the United Kingdom heighten their support for veterans and those in the armed forces, rather than ignore them.

Gemma Doyle: My hon. Friend makes a good point. My concern is about how that will happen. I do not believe that the mechanisms have been fully worked

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through. That is why I want to strengthen the report and the fields that will be included in it.

On new clause 13, the nation demands a great deal from its servicemen and women, as is often stated in the House. They are required to follow orders without question. They and their families are often separated for long periods. Frequent moves, often at short notice, can disrupt family life. Forces accommodation is sometimes remote, making it difficult for partners and children to mix with civilian communities. Service personnel are entitled to expect as normal a family life as their military obligations permit.

Through the implementation of the service personnel Command Paper, the Labour Government worked to ensure that servicemen and women were seen not as ordinary citizens, but as people deserving the very best in public services. However, public services have not and do not always take account of their particular needs, and the Government should work across Departments to ensure that their needs are always taken into account. Major General John Moore-Bick from the Armed Forces Pension Society said:

> "There is a unique nature to what armed forces families go through. This is not special pleading. In the armed forces you are asked to do things nobody else in the public sector would be asked to do. It is only right that they should have a special status."

Governments of all parties must be committed to giving due consideration to the needs of servicemen and women, their families and veterans when it comes to public service delivery, working hard to create a level playing field so that forces families suffer no disadvantage.

Armed forces advocates were established by the Labour Government to identify and resolve policy or legislative issues that might affect the service community. They advise on how public services can best meet the service community's needs. At present there are a number of armed forces advocates from various Government Departments, including the Department for Work and Pensions, the Department of Health and the Treasury. This complements the work of organisations, associations and charities that offer advice and support to service personnel and their families.

The advocates network has worked well. New clause 13 would extend the existing network to ensure that all levels of government in the UK are represented and can therefore help to resolve the issues that may disadvantage our service community.

Mark Lancaster: What is the hon. Lady's estimate of the cost of extending that body of advocates?

Gemma Doyle: I envisage that the advocates would be drawn from the staff already working in Departments, who are linked into the knowledge that exists and would be a useful point of contact for armed forces and their families interacting with those Departments and public bodies.

During the evidence sessions in Committee we heard time and again from charities that they wanted those with responsibility for the delivery of services to be involved in resolving issues, rather than the Secretary of State or a Minister directing from the centre. New clause 13 would ensure that those involved in service delivery at every level, including local government and NHS trusts, are aware of the special nature of service and of the need to tailor their services accordingly. We have talked a great deal about the need for accountability, and the new clause would ensure that accountability is enhanced by bringing into policy formulation and delivery those who are truly responsible for providing the service that people need.

6.45 pm

On amendment 17, it is crucial that the annual covenant report covers all the issues that are central to the covenant. At present, the limited list of three issues is subject to the mood of the Secretary of State of the day so, as already mentioned, we would like the list of fields that the Government are compelled to report on to be lengthened. It is extremely important that that includes inquests. Military inquests are often complex and controversial. Understandably, they involve high emotion and require the utmost sensitivity and real expertise.

The office of the chief coroner was established with cross-party support by the Coroners and Justice Act 2009. It aimed to provide for some of the issues that arise out of military fatalities. The chief coroner's office was intended to ensure that families and friends were sufficiently involved in the coroner's investigation, to introduce quality controls and independent safeguards in relation to inquests, and to add consistency, leadership, independence and expertise to the coroners dealing with military inquests.

Bob Stewart: I am a bit worried about including inquests in the annual report. This is such a sensitive area and I feel that it should be taken separately. I am not fixed on that, but let us be cautious about bringing inquests into an annual report. That might appear trite or to be dealing with them too lightly, when they are such an important and sensitive matter for families. That is just a comment. Although I am not sure where exactly I stand on the issue, that is my initial feeling.

Gemma Doyle: I thank the hon. Gentleman for his observations. I certainly appreciate his concerns. There is great concern among the families who are involved in the issue. Based on their reflections, I believe that further attention needs to be given to the matter.

Mr Gray: The hon. Lady is being extremely generous with her time. I am slightly concerned by her observation that the amendment has come about as a result of representations from families. My experience, bearing in mind that all the inquests in recent years occur in Wiltshire, is that families are extremely well satisfied with Mr Masters, who has been the main coroner involved. I am not certain that there is a huge problem to be solved.

Gemma Doyle: As the hon. Gentleman knows, the office of the chief coroner was set up, following a great deal of consultation, to address issues that were raised. Indeed, it was established with cross-party support. Those issues have not gone away as far as I am aware, although I respect his experience in this matter. There have been varying reports from around the country, and that may be where the difference lies.

The office of the chief coroner is to be abolished by the Public Bodies Bill as a cost-saving measure. The Royal British Legion calls this "a betrayal" of bereaved

armed forces families which threatens the military covenant. That intention was confirmed today in a written ministerial statement. I understand that the Government say they are transferring responsibilities, but the improvements that the new chief coroner's office would have brought about will now be lost.

Dr Andrew Murrison (South West Wiltshire) (Con): I am grateful to the hon. Lady, who is being very generous. Trowbridge is in my constituency and it is where the military inquests have been taking place under the supervision of Mr Masters, to whom I have spoken on the issue. Does the hon. Lady accept that the main concern that families have expressed over the past several years is not to do with the lack of a chief coroner, who could easily be biddable in the way that local coroners have not been, but because there has been a disparity in the legal support given to either side? The MOD has been sponsoring—paying for—barristers in what is meant to be a non-adversarial situation, something which, happily, is no longer the case.

Gemma Doyle: The hon. Gentleman makes a good point. The office of the chief coroner would seek to address some of the issues that he raises about the variations and the inconsistencies in families' experiences. Each time that the office of the chief coroner has been considered by Parliament it has been supported—twice in 2009, and just last December the other place voted to save it. The Secretary of State for Justice does not seem to be listening, and not for the first time. He cites cost as an issue, but the Royal British Legion and INQUEST have been clear that they are prepared to open discussions on how the cost can be reduced. I hope that the Minister will listen to these pleas. This is exactly the sort of decision that must be subject to greater accountability and scrutiny. At present an issue so central to the armed forces community would not be covered by the armed forces report on the covenant, and that is why we tabled the amendment. I ask the Minister today to commit to making representations on behalf of the armed forces community to keep the office of the chief coroner. I hope that at the very least the Government will support this amendment to ensure that this vital issue is reported on annually.

As I have previously said, we were all entertained in Committee by the Minister with responsibility for veterans as he performed verbal gymnastics on the issue of whether the Government were meeting the Prime Minister's famous commitment given on the deck of the Ark Royal. However, just as important as writing the covenant into law, the Bill should provide a form of accountability so that the principles contained in the covenant mean something in reality, and that is what new clause 14 seeks to achieve.

During the debates in preparation for Green Paper in 2009, my hon. Friend the Member for North Durham (Mr Jones) tells me that he argued strongly, against the wishes of his officials, that parliamentary and local government ombudsmen should provide a system of accountability. The ombudsmen were happy to take on that work and it was included in the 2009 Green Paper—the nation's commitment to the armed forces community: consistent and enduring support. The Opposition continue to believe that that is the right approach. In Committee, the Minister was at pains to point out that officials advise and Minister's decide, but given the weak nature of what has been proposed in the Bill, it appears that his officials are more in control than he would care to admit.

Mr Denis MacShane (Rotherham) (Lab): For a number of years I dealt with the case of a constituent of mine who had served in Iraq, been wounded and shipped home, and then, frankly, hung out to dry by both his former public sector employer and, to a lesser extent, the local authority. This concept of an ombudsman to take up such cases is important.

Does my hon. Friend agree that scores of hon. Members on both sides of the House are keen to see a national defence medal inaugurated so that every former soldier, sailor or airman who has served Her Majesty the Queen in the last 50 years can have a medal that they can wear with pride on Remembrance day? I hope very much that we will be given good news on that tonight.

Gemma Doyle: My right hon. Friend highlights the reason to have such ombudsmen. It is essential that there should be a system of accountability as a last resort, should all reasonable means fail. This is not about creating justiciable rights, but a system of accountability is needed if the covenant is to mean anything. Principles must be enforceable if they are to be anything more than words on a piece of paper.

We will support the amendments in the name of the Secretary of State, but we are still somewhat disappointed as we believe that the Bill could go further, specifically on the military covenant. Our amendments would strengthen those provisions and the Bill. I would very much have liked to press all our amendments, but in particular we will press amendment 16 and new clause 17.

Bob Russell: I congratulate the coalition Government on bringing forward the armed forces covenant. I served throughout the Committee—

Mr Robathan: Very well.

Bob Russell: I am grateful. Thank you.

I would like to confine my remarks on this string of amendments to the narrow subject of housing and matters relating to the welfare of Army families. However, I hope that before we finish this evening the Minister will be able to assure the Committee that not a single penny will be cut from the wages of a single member of the Parachute Regiment or 16 Air Assault Brigade more widely.

The last Government can take a lot of credit for things that they did. I hope that what happened previously, under the Veterans Minister and so on, will be built upon by the coalition Government. However, when it comes to the accommodation of the families of our military personnel, successive Governments have failed. The last Conservative and Labour Governments failed. When it comes to single people's accommodation, Merville barracks in Colchester is the best to be found anywhere in the country, but that only sharpens the contrast with the unacceptable housing for married families. Either Colchester garrison is unique or the accommodation there is typical of that which our military families are required to live in. What makes it worse, is that former Army housing in my constituency has rightly been

[Bob Russell]

modernised to a high standard through the Department for Communities and Local Government, while on the other side of the road Army families, looking out on these modern buildings, occupy what an Army wife described in a letter to the *Essex County Standard* on Friday as the worst in the country.

That unnamed soldier's wife says:

"I have been married to a soldier for 20 years and lived throughout in services accommodation.

The married quarters in Colchester are the worst I have ever had to live in, and the system in place to rectify faults is laughable.

The direct line puts you through to a call centre in Liverpool, to talk to someone who has no idea of the conditions you live in or the stresses you endure while your husband's away. They will then expect you to take a day off work so a tradesman can turn up, and it's then a lottery as to the standard of the repair."

The letter goes on at great length to describe the woeful inadequacies of the Defence Housing Executive. The soldier's wife says:

"We've given up complaining to the Defence Housing Executive, as all we get are curt replies, from staff who seemingly have never served or been married to a serving member. It is apparent they have never seen inside the properties."

There is a critical suggestion that perhaps things have got worse since the Defence Housing Executive took over.

We are talking here of the families of soldiers who only last week marched through the centre of Colchester in a welcome home parade and the next day had a thanksgiving and memorial service at Bury St. Edmunds cathedral. Yet we expect their families to live in accommodation that this soldier's wife described as the worst in the country. If the Government can rightly find money to modernise former Army housing to accommodate civilians, the same Government should be able to find the money to modernise housing fit for the heroes who have just returned from Helmand province.

Allied to that, the armed forces covenant refers to education. I look at education in the broader sense—not just the education of serving military personnel but the education of the children of military personnel. Once the former Army houses are occupied by civilian families, the adjoining schools, the Montgomery infant and junior schools—that gives a clue to the military ethos—will be full up. There will not be room at the Army schools for the children of Army personnel. If anything, the armed forces covenant should look at the families of military personnel as well as the serving personnel.

Dr Murrison: Will the hon. Gentleman give the Government credit for including service children in the pupil premium, which will benefit his constituents as it has done mine?

7 pm

Bob Russell: I thank the hon. Gentleman for his intervention and am delighted to endorse that point. The pupil premium has been a great asset to all children of military personnel and has certainly been a great bonus for those in the five schools in my constituency that have a large proportion of service children—as much as 80% in one case. Military families also require peace of mind, and I greatly regret the fact that the previous Government dramatically reduced the number of Ministry of Defence police officers, from 30 to three in my constituency. I heard over the weekend that, regrettably, up to 1,000 MOD police officers are to lose their jobs.

Gemma Doyle: I sympathise entirely with the hon. Gentleman's concerns. Does he think that it would have been appropriate for the Minister to attend the Defence Police Federation's annual conference on Monday? I was there, but instead of looking at him I had to look at an empty chair that the Defence Police Federation had set out for him.

Bob Russell: I have no knowledge of that, but the hon. Lady has made the point and there will no doubt be a response.

Mr Robathan: Indeed there will be if I may intervene. Has the hon. Lady visited the headquarters of the MOD police in Suffolk?

The Temporary Chair (Mr Roger Gale): Order. The Minister cannot question the hon. Lady because she does not have the Floor.

Bob Russell: This is a serious issue. To the best of my knowledge, the MOD police are an integral part of the wider military family. However, over the past 10 years the previous Government were determined, as I regret the coalition Government now appear to be, to reduce MOD police numbers to the point where I suspect at some future stage we will be told that they no longer have a purpose and can be done away with. All I can say is that where there were once 30 MOD police officers serving an exclusive Army estate in excess of 2,000 dwellings, there are now just three such officers. The expectation that Essex constabulary can suddenly conjure 27 police officers to fill that breach will not be met.

We now have a situation in which we have Army families and civilian families and the demarcation between policing is not clear. The lifestyle of civilians is not always compatible with the military ethos of the service families. I am trying to choose my words carefully. All I am saying is that the presence of MOD police officers brought a security and comfort to military families which has been lost at the same time as the ethos of a 100% Army estate has been dramatically reduced. I put it to the Minister that the Government need to look carefully at their proposals to reduce dramatically the number of MOD police officers. It will have little effect in Colchester because 27 police officers have already been got rid of and, with only three left, we do not have much further to go.

I welcome the armed forces covenant, previously known as the military covenant, and congratulate the Royal British Legion on all it has done. We should all be grateful to the legion. My only regret is that some people appear to be trying to turn it into a party political football.

Mr Robathan: I will respond initially to some of the points raised by the hon. Member for Colchester (Bob Russell). I do not want to mislead him, but I am pretty sure that the pay will continue for all members of the Parachute Regiment who are able to parachute, and

certainly for those in parachuting jobs, so we are not scrapping parachute pay. I think that I am the only Member in the Chamber who has received pay for jumping out of aircraft, and it was very welcome at the time.

Bob Russell: May I just point out that the hon. Member for North Durham (Mr Jones) and I got not a single penny when we were thrown out at 13,000 feet?

Mr Robathan: Well, the hon. Gentlemen obviously got parachutes, which might not be my intention for one or two other people.

I take on board the hon. Gentleman's serious concerns about housing, which is an ongoing problem that we wish to improve. We inherited a bad situation, but I do not question the good faith of the previous Administration because it is a difficult matter—*[Interruption.]* Well, I do not think that we can be blamed for the state of housing 14 years ago.

Mr Kevan Jones: Will the Minister give way?

Mr Robathan: Oh, apparently we can be blamed.

Mr Jones: If the previous Conservative Government had not sold off the estate to Annington Homes, which the Minister will find hamstrings him in what he can do with housing, we would be in a better position.

Mr Robathan: I do not think that we want to revisit debates from 1996 and I doubt that you, Dr McCrea, would allow it—*[Interruption.]* Shall we revisit that debate from 1996? I have to say that I had words with Ministers at the time and was not entirely enthusiastic about the policy, but there we are. It is important that we continue to work on housing because we do not wish people to live in substandard accommodation.

The hon. Member for West Dunbartonshire (Gemma Doyle) mentioned the Defence Police Federation's annual conference, which took place up near the Clyde, next to her constituency. The head of the federation works on the floor above me in the MOD, and I have invited him to come to talk to me about the issues. I do not think that that is particularly unreasonable, especially since the conference is taking place today and I have to be here.

I will consider the large number of amendments in three chunks. I will speak first to the Government amendments, secondly to the amendments tabled by the right hon. Member for Dwyfor Meirionnydd (Mr Llwyd) and thirdly to the official Opposition's amendments. When the Government decided to include clause 2 in the Bill, we had two main objectives: to recognise the armed forces covenant in legislation, as we are committed to doing; and to strengthen the Government's accountability to the House through the mechanism of an annual report on the covenant.

The clause rightly places the covenant at the heart of our national debate on whether we are treating current and former members of the armed forces as they deserve to be treated. This is not a matter in which only the Government have an interest; right hon. and hon. Members are well aware that groups that aim to speak for the armed forces community, including the Royal British Legion, take a close and constructive interest. The legion has now made clear its overall support for what we are trying to do in relation to the covenant. I do not apologise in any way for listening to what it and others have said and, having done so, making changes to the legislation.

Gemma Doyle: Does the right hon. Gentleman regret the process by which the Bill has come about? What exactly changed his mind?

Mr Robathan: I do not regret the process at all. What has happened—I would have thought that the hon. Lady had spotted this, because she is a capable person—is that we have been discussing and listening to things and came to the view that we might enhance the Bill, which is what we have done.

Lyn Brown (West Ham) (Lab): Chaos.

Mr Robathan: Contrary to what the hon. Lady says from a sedentary position—perhaps she is reading what is on her BlackBerry—it is not chaos.

Those other organisations are as concerned as the Government are to avoid the pitfalls of the covenant ending up in the courts. They have also pointed out where they think we can do better, and we have listened to them. They argued persuasively that the language of the Bill that related to the armed forces covenant report did not go far enough in explaining our intentions. Our amendments aim to put that right, and I hope that everybody in the Chamber welcomes that.

Mr Kevan Jones: So why did the Minister, along with his Liberal Democrat colleagues, argue forcefully in Committee on numerous occasions that the Bill as it then stood enshrined the covenant in law, when clearly it did not?

Mr Robathan: The hon. Gentleman, together with the hon. Member for West Dunbartonshire, is continuing to fish for any minor criticisms that he can make. We have listened to what people have said and responded, and they might welcome that rather than carping at it.

Christopher Pincher: Does my right hon. Friend think that this is rather rich coming from Labour Members, and certainly from the hon. Member for North Durham (Mr Jones)? Having had 13 long years with the time, the majorities and the money to introduce a Bill, they merely produced a Green Paper, whereas we introduced a Bill within 12 months. Is not my right hon. Friend rather proud of that?

Mr Robathan: I am grateful to my hon. Friend for his support.

Our amendments do not seek to introduce new constraints to prevent the Secretary of State from using his discretion in preparing the report. They do not try to prejudge in detail exactly which subjects will be relevant—unlike, I fear, several of the amendments that we are discussing. Rather, they allow us to be clear about the principles to which the Secretary of State must have regard, especially now that the armed forces

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covenant has been published. The three ideas or principles contained in amendment 11 are, I trust, the subject of agreement in all parts of the Committee. The

"unique obligations of, and sacrifices made by"

our service personnel are matters of fact: the requirement to deploy anywhere in the world at no notice, to put themselves in harm's way, and to use lethal force—all without question, as the hon. Member for West Dunbartonshire said. No other part of our society is called upon to undertake those obligations. The sacrifices made not only by those who suffer injury or death, but by those who give up the kind of family life which the rest of us take for granted, are also of a different nature from what is expected of others. We are not in danger of forgetting that, but we recognise that there should be no doubt that the Secretary of State will take it into account when he is preparing the annual armed forces covenant report and considering the effects of service.

The other two principles listed in the amendment are not statements of fact in the same way, but they should command the same level of consensus. They are at the core of the Government's and the nation's obligations under the covenant. We can never remove all disadvantage that results from membership of the armed forces—the very nature of the job prevents it—but we can, and must, do all we can to minimise disadvantages, particularly when it concerns access to public services. In preparing the amendment, I paused for a long time over the word "desirable". Surely it is more than desirable to remove disadvantage. "Desirable" gets overruled by words such as "essential" or "important". Nevertheless, we must recognise that it will not always be feasible to remove every disadvantage. Therefore, in terms of legislation, we must not express the principle in language which we could never achieve. Let the Committee be in no doubt, however, that where it is appropriate to take action, the Government see that as much more than "desirable".

The question of disadvantage is dealt with more fully in amendment 12—an important new provision that clarifies how the annual report will deal with removing or reducing disadvantage. The first part requires the Secretary of State to make a judgment about whether the effects of service constitute or result in disadvantage when he is looking at a particular field—an element of the covenant such as health care or housing. He is also required to look at service people or

"particular descriptions of service people".

In other words, he will be looking at individual elements of the armed forces community. That could be a very broad category including families or ex-service personnel, or it could be a smaller grouping such as those injured in service or foreign and Commonwealth personnel. The Committee will understand that this gives the Secretary of State the ability to drill down to find the real problems, which often do not affect a whole group but a small part of it. The amendment also gives the Secretary of State the responsibility of deciding who should be the subject of that comparison. In some cases, the right comparison will be with the ordinary civilian; in others, it may make sense to look at a rather more specialised comparison such as with members of the emergency services.

The second part of amendment 12 sets out what the Secretary of State must do with his judgment. He must go on to say in the annual report what is his response to the disadvantage that he has identified. Perhaps nothing can be done about it—it may be an inevitable result of the military profession—or he may be able to announce how the matter is to be resolved, or who has responsibility for doing so. In all cases, the House will be in a position to decide whether that response is satisfactory.

7.15 pm

Returning to amendment 11, the final paragraph refers to the principle that "special provision" or special treatment "may be justified". Again, this is expressed in a form that is appropriate to the circumstances. It is not trying to pre-ordain any particular form of special treatment—that would be quite wrong—but it establishes the key place of special treatment in the obligations that we owe to service people.

Amendment 13 adds more about special provision. It requires the Secretary of State to look at the effects of service covered in his annual report and to reach a view on whether special provision would be justified. It adds that when he believes that special provision would be justified, he must say so. As with the previous amendment, he is not obliged to treat service people as if they are a single group who must all be treated in the same way. He can again consider

"particular descriptions of service people"

and make detailed judgments about how we should respond to their circumstances.

Members of the armed forces community do not, as a rule, want special favours. They accept that they are citizens like their civilian neighbours. They expect fair treatment. They do not like finding themselves at the back of the queue because they have joined the services, but they do not insist on being at the front of the queue. However, there may be times when we wish to place them at the front of the queue. Of course, when personnel are injured in the course of their duty, or when they lose their lives, the obligations on us are even greater. We can never truly make up for the sacrifice that they or their loved ones have made, but we do make special provision for injured personnel and bereaved families, and we must look out for sensible opportunities to do more. For example, this Government have introduced scholarships in higher education for the children of those killed in service since 1990. That step has been widely welcomed, and we are now processing applications. The amendment does not require us to extend special provision in particular ways or to try to prejudge when it will be appropriate. Instead, it requires us to keep the principle at the forefront of our minds when preparing the annual report so that Parliament can decide if we have treated these particularly deserving groups in the right way.

The three amendments will mean that, for the first time, an Act of Parliament refers to the key principles of the armed forces covenant. They do this in a form which does not give them legal force in terms of individual actions but which ensures that the Secretary of State has regard to them in his important new duty to prepare a report. That will strengthen further the accountability that the Government are seeking to build.

I turn to the amendments in the name of the right hon. Member for Dwyfor Meirionnydd, which cover a good deal of ground. New clause 2 and amendment 2 would require the creation of a new Minister for former armed services personnel. I do not take his comments

amiss in any way. I do not think that he was particularly getting at me in suggesting that there should be such a Minister—he said specifically that he was not—but I am, of course, responsible for former armed forces personnel. As he said, ex-service personnel issues lie across the whole of Government, not just within the Ministry of Defence. However, the MOD is uniquely placed to play a leading role. After all, we run the Service Personnel and Veterans Agency, and we are closely involved in the transition of members of the armed forces to civilian life. I believe—I know it to be true, in fact—that we have a special understanding of what our people have been through. For those reasons, I am confident that the current arrangements are fit for purpose. That does not mean that they cannot be improved, but we work on that as things evolve. Looking at the different roles envisaged, I can find no justification for a new post. It is right that the Secretary of State for Defence, with overall responsibility for current and former members of the armed forces, has the responsibility of preparing the annual report. I fail to see the value in requiring a Minister to conduct activities that are positive to the well-being of former services personnel. Such legislation is not necessary.

Another proposed duty is to conduct research. The MOD commissions a great deal of high-quality research relating to current and former service personnel. For example, the King's Centre for Military Health Research has followed a cohort of more than 20,000 members of the armed forces to investigate the impact of service in Iraq and Afghanistan. We continue to work with the voluntary and communities sector to improve understanding of the issues faced by the armed forces community and to build up evidence to monitor progress. There is no need for legislation. I know that the head of the King's Centre for Military Health Research would be willing to talk to the all-party parliamentary group for the armed forces. If the right hon. Gentleman wishes to pursue that, I think he would find it extremely useful and interesting, particularly on mental health issues.

We can consider amendment 3 in two halves. The first half would require the Secretary of State to take into account the operation of a range of instruments and bodies, which would be created in turn by new clauses 3 to 6. We do not think that those new creations are necessary. New clause 3 would require the Government to draw up a charter for former armed forces personnel. It gives a list of things that should be included. I hope that the right hon. Gentleman accepts that the proposal for a charter is overtaken by the publication of the armed forces covenant. The approach that we have taken in the covenant is better, because it avoids the creation of legal rights, which his charter could easily do. The covenant extends to service personnel and family members and is based on firm principles. In contrast, new clause 3 lists specific issues. All of them are important matters, but we believe that they are all captured in Government policy.

I will go through the list briefly. On psychological assessments, we are currently building a greater focus on mental health into service and discharge medical examinations. On resettlement, we are committed to supporting service leavers in making the important step back into civilian life. There is a full package in place, which we are looking to improve. On access to support and advice, all former service personnel facing difficulties have access to the free veterans helpline, which receives between 150,000 and 200,000 calls a year. We also have the veterans welfare service and the veterans in custody support programme, which provides tailored support for former personnel in the criminal justice system. None of that required a charter setting out legal requirements.

New clause 4 also focuses on support in the prison and probation systems. I note that the right hon. Gentleman feels deeply about this issue and has raised it on many occasions. I must tell him that his proposal for— *[Interruption.]*

The Temporary Chair (Dr William McCrea): Order. I ask right hon. and hon. Members to keep the noise down. We want to hear the response from the Minister. A lot of people intervened and asked questions. It is only appropriate, proper and courteous to hear the answers.

Mr Robathan: If Members have come in at the behest of the Whips because they expect a Division, they might as well go out for a bit longer, because I have a lot more to say that will delay the Division. They are very wise to do so.

New clause 4, which I was addressing, proposes a legal obligation to appoint a former armed forces personnel support officer to every prison and probation service in England and Wales. That would impose an unnecessarily legislative framework. The veterans in custody support programme focuses on the early identification of ex-service individuals who would benefit from extra support. It offers advice on a range of issues from housing and mental health to medals and war pensions. The voluntary sector provides excellent additional support.

New clause 5 would require financial support to be provided for a range of welfare groups. I pay tribute to the invaluable role played by numerous service and ex-service organisations in promoting the welfare of the armed forces community. Some have been doing so for a very long time. Only this month, we celebrated the 90th anniversary of the Royal British Legion. Indeed, there was a garden party—indoors because it was raining—at No. 10 on Friday, at which the Prime Minister spoke. Members of the Royal British Legion and its supporters, such as Vera Lynn, all appreciated it enormously. Similarly, last week I went to the service at the Guards chapel on the 40th anniversary of the War Widows Association of Great Britain, with which we are in touch a great deal. Many such bodies have an expert understanding of the needs of service and ex-service personnel. Their support sits alongside the provision of facilities from public funds and we have close working relationships with many of them.

However, it would not be appropriate for the Government to give general financial support to such groups. Registered charities are and should remain independent. It is right that they raise their own funding, whether they are concerned with the armed forces or not. It is a long-standing practice that central Government do not provide funds raised through taxation to assist the core activities of individual charities. In any event, given the number of charities, the Government would not be able to do that in a fair manner. I pay tribute to the many charities that are raising a great deal of money at the moment, such

[Mr Robathan]

as Help for Heroes, the Royal British Legion and Combat Stress—we have been discussing mental health. They are working to raise funds to support our armed forces and I pay tribute to them.

New clause 6 proposes the creation of a policy forum for former service personnel. Is there a need for another policy forum and, if so, do we need to legislate to create it? There are already a number of groups that help to shape the delivery of veterans' welfare. The external reference group on the covenant brings together armed forces advocates from across Government and external members from ex-service organisations. It provides co-ordination for the effort across Government and oversight of the Government's performance in rebuilding the armed forces covenant, and it allows ex-service organisations and other experts to influence the development of Government policy. The right hon. Gentleman mentioned the Confederation of British Service and Ex-Service Organisations. There are regular meetings between COBSEO and senior MOD staff and Ministers, including myself. The annual welfare conference organised by the MOD allows many smaller organisations to debate these issues. There are 13 veterans advisory and pensions committees throughout the United Kingdom that provide assistance to the service and ex-service community and local public service providers. They raise awareness in public bodies and the local community about the needs of veterans. I trust that I have made my point that establishing another former armed services personnel policy forum would not offer any tangible benefit.

I now turn to the second half of amendment 3. *[Interruption.]* For the benefit of people such as the shadow Secretary of State for Defence who have just walked in, perhaps I should repeat what I have said.

The Temporary Chair (Dr William McCrea): Order. I ask right hon. and hon. Members once again to be courteous and to listen to the responses. If they want to have conversations outside this business, they can do so outside the Chamber.

Mr Robathan: For those who have arrived recently, it would be discourteous of me to not respond to those who have raised points, such as the right hon. Member for Dwyfor Meirionnydd. I have yet to achieve the same length of speech as the right hon. Gentleman or the hon. Member for West Dunbartonshire. *[Interruption.]* Indeed, the night is yet young.

The second half of amendment 3 sets out nine headings that must be covered in the annual report. I do not deny the importance of any of those topics. Some are broad and some are fairly narrow, such as "debt management" and "domestic violence". However, it is not a comprehensive list and I am sure that other hon. Members could add many suggestions. We would rather not legislate for such a list because it may change over the next few years. The question is whether we should cram all possible issues into the legislation and turn the annual covenant report into a box-ticking exercise, or whether we want to give the Secretary of State the opportunity to identify and investigate the problems that are actually faced by service people. Amendment 3 would deny the Secretary of State the flexibility to deal with the effects of service that are considered to be the most important or relevant at the time of each report.

Finally on this group of amendments I come to amendment 4, which we do not believe would add a great deal to the Bill. The Secretary of State has made it clear that he will seek views and evidence in preparing each annual covenant report. If there are issues, he will respond to them and give a time frame for implementing any recommendations. The amendment would simply get us into questions about who is and who is not an expert in this field. This country is fortunate to have an active community of well informed, constructive and articulate groups that are committed to improving the welfare of service people and want to work with the Government to achieve that. Many are brought together in the external reference group, and I can assure the right hon. Member for Dwyfor Meirionnydd that they are not slow in coming forward. We have stated that we will publish their observations alongside the annual report.

7.30 pm

I now turn to the official Opposition's amendments. I know that Opposition Members who have just come in will be particularly keen to hear about them—*[Interruption]*—especially the hon. Member for Walthamstow (Stella Creasy).

John Woodcock (Barrow and Furness) (Lab/Co-op): I'll take her out.

Mr Robathan: I do not think the hon. Gentleman needs to offer to do that. That is a bit sexist, if you ask me, but there we go.

The hon. Member for West Dunbartonshire asked earlier from a sedentary position where we got the idea from that there was a £38 billion black hole. May I tell her that it came from the National Audit Office report "Ministry of Defence: The Major Projects Report 2010"?

Mr Kevan Jones: Will the Minister give way?

Mr Robathan: Well, Dr McCrea—[Hon. Members: "Give way!"] Go on then, why not?

Mr Jones: I am sorry, but if the Minister reads the NAO report, he will see that it states that the figure is between £6 billion and £37 billion. The only way we can get to the £37 billion figure is if we include all the forward programming for the forward thing. The problem is that, like a lot of his colleagues, he cannot get away from the spin of central office.

Hon. Members: Forward thing?

Mr Robathan: The hon. Gentleman talks about the "forward thing", but we have to do the sums, and I am afraid his maths is obviously not very good. If he does not believe that the Ministry of Defence is short of money, he is wrong.

The Opposition's amendment 16 represents a further attempt to reduce the discretion of the Secretary of State to consider which subjects to include when preparing his annual report. I have three difficulties with it, and

they lead me to oppose it. *[Interruption.]* I can find more, if the hon. Member for West Ham (Lyn Brown) would like.

Lyn Brown: I look forward to it.

Mr Robathan: Well, one is that the amendment, no doubt with the best of intentions, describes in more detail the subjects to be covered in the covenant report. As drafted, clause 2 requires the Secretary of State to address accommodation, health care, including mental health care, and education. We have included those topics because it is pretty inconceivable that there would ever be circumstances in which they were not relevant. However, the list is meant to be illustrative, not comprehensive. Any attempt to be comprehensive in the clause would run the risk of missing out something significant, and it would be doomed to become out of date as circumstances change. All the topics listed in the amendment are important and deserve consideration by Parliament, yet the list leaves out many other important matters such as pay, recognition and how we treat personnel on deployed operations.

That leads to the second difficulty with amendment 16. Its supporters may argue that if they fail to make their list comprehensive, the gaps will be filled in by others, hence the reference to

"such other fields as the External Reference Group may determine."

I am a great admirer of the work of the external reference group, as I have made clear to the House on numerous occasions. By coincidence—*[Interruption.]* The shadow Secretary of State obviously does not want to hear my response to his colleague the hon. Member for West Dunbartonshire, who has raised a great deal that needs to be covered in the debate. That is why we have a Committee stage in the House of Commons.

Mr Jim Murphy (East Renfrewshire) (Lab): No!

Mr Robathan: He obviously does not realise that.

By coincidence, the external reference group is meeting tomorrow. I offered to go to the meeting, but it wished to consider how it may respond to the covenant report when it comes out. After discussions, it was thought that I might be in the way rather than anything else. The group's advice and expertise will be of huge benefit to the Government in preparing the annual report, but we cannot place on the group the duty of deciding what subjects the Secretary of State will cover. That must be his decision, so that he is answerable to the House for it.

Finally—*[Interruption.]* I mean finally on amendment 16. It would remove the reference to "particular descriptions" of service personnel. That is a vital provision, despite the slightly arcane language, because it allows the Secretary of State to distinguish between different groups rather than cover the whole of the armed forces community when there is no need to do so. Leaving it out would make the annual report unwieldy and less useful.

That leads us directly to amendment 17. Inquests are a crucial part of how we support those who have made the ultimate sacrifice in the service of their country. Two of my hon. Friends from Wiltshire mentioned the matter earlier. Although inquests allow families to learn in detail how their loved ones died, and help them to reach closure, they also bring home to all of us the tragedy of loss and the cost of the operations on which we are embarked. Ensuring that the inquest system is fit for its very important purpose is a responsibility that the Government must never forget.

However, the amendment makes for me precisely the point that I raised earlier. It is an afterthought. Having tried to list the subjects that the Secretary of State should cover, the Opposition realised that they had left one out. That shows the weakness of trying to come up with a comprehensive list in legislation. Next week, people might come up with another category, but it would be too late to amend the Bill. I hope that we can look forward to a happier time when the operation of the inquest system is of less concern to the armed forces community because we are not involved in deployed operations and there are no fatalities.

Gemma Doyle: It is somewhat rich for the Minister to say that it is we who are treating inquests as an afterthought, given that it is his Government who have scrapped the office of the chief coroner. How would he respond—I urge him to make it a brief response—to the comment of the Royal British Legion that it is a betrayal of service families to scrap that office?

Mr Robathan: Unfortunately, as the Members on either side of the hon. Lady—the hon. Member for North Durham (Mr Jones) and the shadow Secretary of State—will understand, I cannot speak for the Ministry of Justice. It would be beyond my remit. May I also say that she spoke for longer than I have yet achieved? Don't worry, I'm working on it.

New clause 13 relates to armed forces advocates. Advocates are an excellent idea, and in UK Government Departments and the devolved Administrations they face in two directions. They ensure that their own Department's policies take account of the special needs of the armed forces community, and they communicate their Department's perspective to my officials and external stakeholders.

I turn briefly to new clause 14, on the ombudsmen. I pay tribute to the parliamentary and local government ombudsmen for their work. I do not think any of us doubt the important role that they can play in helping members of the armed forces community, and they have welcomed the familiarisation events that my officials have organised. However, the new clause is unclear about what exactly the ombudsmen are intended to do, and we are not minded to accept it. The Government will continue to work with public bodies and local authorities to implement our commitments, and we will encourage them to help to remove the disadvantage faced by service people and afford them special treatment where appropriate. The ombudsmen have a vital role to play, but it is not the one described in the new clause.

Finally—[Hon. Members: "Hooray!"] Yes, finally, I come to the Opposition's new clause 17. Once again, the concept outlined in it is perfectly reasonable. I want, just as much as the hon. Member for West Dunbartonshire does, a world in which those who make policy take into account the needs of members of the armed forces community as a matter of routine. The best way of ensuring that we avoid problems of disadvantage is to prevent them from happening in the first place. The issue is how to achieve that. We must consider whether the right course of action is to create a legal duty to

[Mr Robathan]

have regard to certain matters, or to adopt a more practical approach. In the Government's view, placing a general duty on all public bodies and Ministers in the preparation of all policy would be unhelpful and unfocused. It would lead to more of a box-ticking culture and a cottage industry of assessments. As I have said throughout the debates on the Bill, we are interested in results and want the armed forces community to be looked after better, but that does not involve box-ticking.

Mr Nigel Dodds (Belfast North) (DUP): I agree with the Minister that results and outcomes are the most important thing, but with reference to the earlier discussion on devolution, how will he ensure that all servicemen and women and ex-servicemen and women are treated equally in all parts of the United Kingdom? There may be some resistance at devolved level, particularly in Northern Ireland where vetoes are in operation.

Mr Robathan: The right hon. Gentleman makes a good point, and I know that he takes the matter very seriously. We did not put forward the devolution settlement, of course—that was done by the previous Government—but we are working with all three devolved Administrations to try to ensure that there is no disadvantage to any ex-service person. However, I absolutely take on board his point and the particular circumstances that he mentions.

Rather than the system set out in new clause 17, I would prefer one in which I and my ministerial colleagues across Government continue to work with public bodies to ensure as far as possible that they take account of the armed forces covenant in their preparation of policy. Much progress has already been made, and the imposition of a new statutory duty would not be of benefit.

The Government look to the annual report to be a powerful, flexible tool to focus Parliament's attention on the key issues of the time. I fear that the Opposition's proposed amendments would make that task more difficult and impose a package of unnecessary processes. [HON. MEMBERS: "Hooray!"] I have only another 300 pages to go, but I shall leave it at that, and allow the right hon. Member for Dwyfor Meirionnydd to wind up.

Mr Llwyd: I am not altogether happy with the Minister's response—in fact, I am desperately unhappy with it—but I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 16, page 2, leave out lines 8 to 12 and insert—

(a) education;
(b) accommodation;
(c) healthcare;
(d) mental healthcare;
(e) pensions and benefits;
(f) employment and training;
(g) support for reservists and their employers;
(h) the running of the Armed Forces Compensation Scheme;
(i) progress on Armed Forces rehabilitation services; and
(j) such other fields as the External Reference Group may determine.'.—*(Gemma Doyle.)*

Question put, That the amendment be made.

The Committee divided: Ayes 223, Noes 283.

Division No. 291] **[7.40 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John

Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Lilian Greenwood

NOES

Adams, Nigel
Afriyie, Adam
Amess, Mr David
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Hart, Simon
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Hendry, Charles
Herbert, rh Nick
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah

Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Paice, rh Mr James
Parish, Neil
Patel, Priti
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Smith, Miss Chloe
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
James Duddridge and Norman Lamb

Question accordingly negatived.

Amendments made: 11, page 2, line 12, at end insert—

'(2A) In preparing an armed forces covenant report the Secretary of State must have regard in particular to—

(a) the unique obligations of, and sacrifices made by, the armed forces;

(b) the principle that it is desirable to remove disadvantages arising for service people from membership, or former membership, of the armed forces; and

(c) the principle that special provision for service people may be justified by the effects on such people of membership, or former membership, of the armed forces.'.

Amendment 12, page 2, line 12, at end insert—

'(2B) An armed forces covenant report must state whether, in the Secretary of State's opinion, any effects covered by the report are such that service people or particular descriptions of service people are at a disadvantage as regards the field or fields in question, when compared with other persons or such descriptions of other persons as the Secretary of State considers appropriate.

(2C) Where the Secretary of State's opinion is that service people or particular descriptions of service people are at a disadvantage as mentioned in subsection (2B), the report must set out the Secretary of State's response to that.'.

Amendment 13, page 2, line 12, at end insert—

'(2D) As regards effects covered by an armed forces covenant report—

(a) the Secretary of State must consider whether the making of special provision for service people or particular descriptions of service people would be justified; and

(b) where the Secretary of State considers that such provision would be justified, the report must contain a reference to that fact.'.—*(Mr Robathan.)*

Clause 2, as amended, ordered to stand part of the Bill.

Clauses 3 to 14 ordered to stand part of the Bill.

Schedule 1 agreed to.

Clauses 15 to 26 ordered to stand part of the Bill.

Schedule 2 agreed to.

Clauses 27 and 28 ordered to stand part of the Bill.

Schedule 3 agreed to.

Clause 29 ordered to stand part of the Bill.

Schedules 4 and 5 agreed to.

Clause 30 ordered to stand part of the Bill.

Clause 31, as amended, ordered to stand part of the Bill.

Clauses 32 and 33 ordered to stand part of the Bill.

New Clause 1

CLOSURE OR REALIGNMENT OF ARMED FORCES BASES

'(1) Prior to commencing a programme of closure or realignment of Armed Forces bases the Secretary of State must—

(a) prepare a base closure report;

(b) lay a copy of the report before Parliament.

(2) The Secretary of State may not proceed with any realignment or closure of armed forces bases without the approval of both Houses of Parliament.

(3) In this section a "base closure report" is the recommendation of the Ministry of Defence for the future Armed Forces basing requirements of the United Kingdom and British Overseas Territories including the criteria used when reaching its recommendations and the priority given to each criterion.

(4) In this section an "Armed Forces base" is a base or series of installations consisting of facilities necessary for the support of the British Army, Royal Navy or Royal Air Force including security, communications, utilities, plants and systems, or property for which the Armed Forces have responsibility.

(5) In this section "realignment" means any action that alters the function of a base or any action for the purpose of transitioning the base to serve another branch of the Armed Forces.'.—*(Thomas Docherty.)*

Brought up, and read the First time.

Thomas Docherty (Dunfermline and West Fife) (Lab): I beg to move, That the clause be read a Second time.

The Temporary Chair (Dr William McCrea): With this it will be convenient to discuss the following: new clause 16—*UK Defence Base Closure and Realignment Commission*

'(1) An independent UK Defence Base Closure and Realignment Commission shall be established.

(2) The Commission shall be comprised of 12 members reflecting the nations and regions of the United Kingdom.

(3) The Select Committee on Defence of the House of Commons shall, within a fortnight of the conclusion of a Strategic Defence and Security Review, propose the membership of the Commission, giving due weight to—

(a) the nations and regions of the United Kingdom;

(b) military and strategic expertise; and

(c) experience in assessment of economic impacts.

(4) The proposed membership shall be subject to approval by resolution of both Houses of Parliament.

(5) The Commission shall convene following the conclusion of a Strategic Defence and Security Review to consider a draft force structure plan submitted by the Secretary of State for Defence, and shall arrange for its reports to be laid before Parliament within six months of the conclusion of such a Review.

(6) The Commission will make recommendations for base closures and realignments following consideration of the force structure plan, the economic effects of a closure or realignment of a military installation and the strategic military presence across the nations and regions of the United Kingdom.

(7) The Secretary of State shall lay a draft Order in Council to give effect to the recommendations of the Commission which shall be brought into effect only if approved by resolution of both Houses.

(8) The Secretary of State shall not give effect to the draft structure plan referred to in subsection (5) until parliamentary proceedings under subsection (7) are concluded.'.

Amendment 1, title, line 2, after 'Police', insert

'to provide for parliamentary control of proposals to close or realign bases for the armed forces.'.

Thomas Docherty: New clause 1 stands in my name and those of several colleagues. It is a pleasure, once again, Dr McCrea, to serve under your chairmanship. I very much enjoyed serving on the Finance Bill under your leadership, and I hope that you will keep me in order as we go through this evening's proceedings.

New clause 1 should be relatively non-contentious. We have seen, in the last strategic defence and security review, an unprecedented attack on our defence of the realm capabilities: we have seen, as the Secretary of State himself admits, a Treasury and financially driven round of armed forces restructuring; we are seeing the British Army reduced significantly; we have already seen the closure of RAF Kinloss, as well as the loss of our Nimrod capability, which, as the First Sea Lord admitted to the Defence Committee, has placed our maritime surveillance capabilities at a severe disadvantage; and we are also bringing home the British Army from the Rhine.

Each Government, over the past 40 or 50 years, have reconfigured our armed forces structure to best suit the challenges as they have seen them, but never before have we seen one so radical and based not on the nation's defence needs, but on the Chancellor of the Exchequer's needs. For that reason, there is great concern in communities up and down the country that decisions are being made not by the Ministry of Defence, but by the Treasury, and that therefore those decisions are not being made because they are the correct defence decisions but because they are the most expedient or financially convenient for the Treasury and in order to save money.

I have great respect for the Under-Secretary of State for Defence, the right hon. Member for South Leicestershire (Mr Robathan) and his ministerial colleagues, and I know that they are fighting valiantly to persuade the Chancellor that he is plain wrong, but we cannot assume—because we have not seen any letters yet from the Secretary of State to his counterparts—that he will be successful in persuading the Treasury to provide additional money. If the MOD team are unsuccessful, next month there will be some extremely bad news for a number of communities throughout the United Kingdom.

Bob Russell: Will the hon. Gentleman explain what a Labour Government would be doing differently, because I have heard nothing from Opposition Front Benchers to indicate that they would be doing anything different.

8 pm

Thomas Docherty: I will happily answer the hon. Gentleman's question. In fact, I would point him towards his colleague, the right hon. and learned Member for North East Fife (Sir Menzies Campbell), who has articulated exactly what is wrong with the defence review. What would normally happen is what happened in the defence review that Lord Robertson of Port Ellen carried out in 1998. The correct order of events is to begin by determining our foreign policy objectives and, as the hon. Gentleman knows, what the strategic defence risks facing our nation are. He and I would probably agree on the likely scenarios—one would undoubtedly involve Tehran; another would be terrorism. From those two decisions, we would determine the defence posture that we needed to adopt. Having determined that defence posture, we would configure our armed forces to deliver it. Finally, we would sit down and have a relatively civilised conversation with the Treasury about how best that could be funded. Unfortunately, the hon. Gentleman's Government have done the absolute reverse. The Chancellor of the Exchequer has said to the Defence Secretary, "This is your pot of money. Now you need to make your armed forces fit it."

Our Front Bench team has made it absolutely clear that we would freeze this defence review and have another, fresh defence review based on the criteria and priorities that I have set out. We have made it clear that we would not close RAF Lossiemouth, RAF Leuchars or RAF Marham. We would also approach bringing home the troops from Germany in the following way. First, moving 18,000 soldiers and their dependants back to the United Kingdom would have to be in the best interests of the Army. Secondly, we would make the needs of their families the top priority. The hon. Gentleman has a long record of standing up for constituents at his local Army base, and he will know that we face housing challenges. When we debated the issue previously—in December, I think—he and I were at one in recognising that the previous Government did a lot of work to improve the housing of the families of those in our armed forces, but there is still a lot more to be done.

Notwithstanding the redundancies that will take place, one of the greatest challenges in bringing back that part of the Army that is based in Germany will be in rehousing probably half the current number and their families at bases around the United Kingdom. I tabled a number of parliamentary questions earlier this year to ask the Government what discussions they had had with the Scottish Government and the Department for Education about how we would educate the 7,000 children who are currently being educated in Germany. It will

[Thomas Docherty]

probably shock the Committee to discover that the Government have had no conversations at all with either the Scottish Government or the Department for Education about how to move 7,000 children back from Germany into schools in this country.

I do not know whether the Under-Secretary—*[Interruption.]* I know that he is paying close attention to this discussion, but will he update the Committee on what discussions he has had with the Scottish Government or the Department for Education in recent weeks. I suspect that the answer will be: "Not much more than we'd had several weeks ago." Therefore, to answer the question that the hon. Member for Colchester (Bob Russell) asked—some time ago now—before we made any decisions, not only would we conduct a thorough, rational defence review, but we would ensure that the infrastructure was in place to house those armed forces personnel and their families.

As we have debated the issue over the past eight months, it has become increasingly clear that the ongoing briefing, leaks and speculation coming out of parts of both the Ministry of Defence and the Treasury have been causing a great deal of distress in various parts of the country. I know that the Minister would dissociate himself from any such leaks or briefings against the Army or the Air Force, or about the thinking, but we have left those communities in a state of uncertainty and limbo for too long.

Angus Robertson (Moray) (SNP): Does the hon. Gentleman agree that the problem is not just the distress caused to the service and non-service communities in places such as Moray, Fife, Norfolk and elsewhere? Scores of businesses are going to the wall because of the delay in the review process. It is absolutely right to highlight the distress caused for service families—"Will I remain in service?", "Will I remain here?", "What will I do with my house?", "What will I do about the education of my children?"—but there is also an existential question for the many people in those areas whose businesses are going to the wall totally unnecessarily.

Thomas Docherty: The hon. Gentleman is entirely right. One thing that the Government have not yet fully grasped is that a lot of those service personnel will have been at their bases for significant periods, particularly those at Royal Air Force bases. Indeed, one of the differences between the Army and the Air Force is that those in the Royal Air Force tend to spend the vast majority of their careers based in one location. I was recently told the story of some aircraft mechanics who had been at the same base for going on for two decades. People make family connections. Their husbands or wives move with them permanently to the bases at which they are stationed, and they then seek local employment and raise their families in the area. There will also be local businesses that depend on work from those RAF bases, as the hon. Gentleman said. They now face a period of great uncertainty.

I say very gently to the Minister that we have seen the date gradually slipping back. Indeed, it is probably fair to say that our understanding now is that we will not get a decision until the very day that the House rises. I would not for a moment seek to besmirch the Ministry of Defence's thinking, but some uncharitable people outside the Chamber might suggest that the Government were hoping to sneak out the announcement on the last day when no one was looking, although I am sure that Mr Speaker would ensure that the Secretary of State at least came to the Chamber.

Mr Robathan: Were any Minister to try to slip something out on the last day, I am sure that the hon. Gentleman would be here to ensure that they did not get away with it.

Thomas Docherty: I am grateful to the Minister for that, and I am happy to confirm that I will not be going anywhere on the last day for that reason. However, I am sure that if the Secretary of State waited until the last moment and if it then slipped his mind to request an oral statement, Mr Speaker would ensure, for the probity of the House, that he found a suitable opportunity—

Mr Robathan *indicated dissent.*

Thomas Docherty: The Minister shakes his head. I understand that there might be some vacancies coming up at the Department of Health shortly. I think that he might be up for promotion, so I could not possibly comment on whether he would be on the Front Bench next to the Secretary of State for Health—although the Defence Secretary is a GP, of course, and would be eminently suitable as a Health Secretary, if such a vacancy were to come up. However, having to wait until 19 July—the last day before the recess—is frankly not a comfortable position to be in.

I understand why the Ministry of Defence did not wish to make an announcement during the period of purdah for the Scottish elections. When the right hon. and learned Member for North East Fife had a debate in the House on RAF Leuchars in January, the Minister of State made it clear that he did not wish to do anything that might upset the election results—I should point out to him that putting that decision off did not do the Lib Dems much good in North East Fife. However, we are now well past the Scottish elections. There is no particular reason why the Government could not come to the House now and announce the decisions that we know they have made.

The purpose of my new clause is to ensure parliamentary oversight of the decisions made by the Ministry of Defence. As I said earlier, we are talking about a unique set of closures. We have probably not seen anything like it since the days when Denis Healey was a Minister for the armed forces and we reconfigured and abandoned our positions east of Aden. Now, however, the decisions are being driven entirely by the Treasury.

The purpose of new clause 1, which thankfully I will not read into the record, is not to affect the way in which the Ministry of Defence gathers information. It does not seek to make the process more transparent or, as the Minister said earlier, to tie the hands of the Government so that they cannot carry out these processes. The new clause proposes that, once the Ministry of Defence has determined which bases it wants to close or realign—for example, by switching their use from the Royal Air Force to the Army, or, as we read in *Scotland on Sunday* at the weekend, by switching the Condor base in Arbroath from the Royal Marines to the Army—the

decisions would be subject to two conditions. First, the Secretary of State would be required to lay a report before the House setting out not only his rationale for making the decisions but the weighting he has given.

Those colleagues who have attended the Adjournment debates on these matters here and in Westminster Hall will have noticed that there has been inconsistency between the views expressed by the various Ministers in the Ministry of Defence about what weighting is being given to each of the criteria: the Secretary of State, the Minister of State and the other Under-Secretary of State—he is the Minister for aviation, as far as I can tell—seem to have different views. One Minister will tell us that the finances are paramount; another will say that defence needs come first; yet another will tell us that the RAF's needs are the most important, while another says that the Army's needs are the priority. Then we get back to the arguments about the socio-economic arguments and the wider impacts of the decisions that the hon. Member for Moray (Angus Robertson) has mentioned. Those are all valid arguments, and the Ministry is right to consider the socio-economic factors, the financial costs to the Treasury and how best a base can be recycled for use by another service. However, that all needs to be done in a transparent and coherent manner.

Mr Dodds: The hon. Gentleman is making a powerful case. He referred earlier to the unique context in which he is proposing his new clause. Does he not regret the fact that a Bill such as this was never introduced under the Labour Government? We have suffered base closures in Northern Ireland that had a serious impact on the local communities, yet none of these considerations was discussed at the time, despite the best efforts of some of us to point out the consequences. I know that the hon. Gentleman cannot go back in time, but will he acknowledge that that is the case?

Thomas Docherty: I thank the right hon. Gentleman for his intervention; I know that he takes a keen interest in the armed forces. He is right to say that the previous Government did not get everything right, but I am not sure whether a Bill was ever introduced to put this process on to a statutory footing. I think that the idea is relatively new. I first came across it when, as part of the British-American Parliamentary Group, I visited the Pentagon last September. The process was explained to the delegation at that time; I think that it has been in place there for about 18 years. It is possible, therefore, that previous Governments were not fully au fait with how the system has worked in America, and that could be why we have not had this debate before. I hope that the right hon. Gentleman will acknowledge that the closures that took place in Northern Ireland were, thankfully, driven by the peace process and by the leadership of the then Prime Minister and members of parties that are present today. That is obviously different from the situation today, in which the Chancellor of the Exchequer is calling the shots—please pardon the pun—on the Ministry of Defence.

Under the new clause, the Secretary of State would compile a report setting out what weight he was giving to each of the criteria, which might be quite mixed. Having had a chance to review the report, a future Defence Select Committee might wish to invite the Secretary of State to appear before it and to scrutinise it, although I cannot bind any such Committee to do so. The report would then be subject to a straight-up-and-down vote in the House. There would not be an option to cherry-pick individual bases; it would be a straight-up-and-down report, as they have in the United States. If the House really felt that the Government had got it wrong, it would send the matter back and ask the Government to reconsider.

8.15 pm

Crucially, no one could play politics with the process, because they could not pick off one individual base. For example, if there were a base in what was previously a Lib-Dem seat—I suspect that there will not be many of those left after the next election—or in one of the new Conservative marginals that might pop up, it is quite possible that a less strong-minded Secretary of State for Defence might give in to parliamentary pressure from his colleagues. The process I propose would prevent that from happening, because it involves a straight-up-and-down vote. Only when the Secretary of State had gained parliamentary approval could he proceed with the closure of the bases.

I want briefly to comment on new clause 16, tabled by the hon. Member for Moray, for which he is keen to press the case. I have adopted a very different approach from his. The key factor for me and other members of the Defence Committee when we visited the Pentagon in April was that the process should be kept in-house, and my approach would keep it within the Ministry of Defence. I suspect that the Minister, who I know is studying hard before making his response, will be busy coming up with new arguments. The problem that he has with the new clause is that it would keep the discretion over decision making within the MOD. I think that the American process takes two years, and I am concerned about the uncertainty that that could cause if a similar process were adopted here. I look forward to hearing how the hon. Member for Moray would prevent the process from spilling over in that way. I am sure that the Minister has worked up a thorough and detailed response, and I also look forward to hearing his arguments.

Angus Robertson: It is a pleasure to follow the hon. Member for Dunfermline and West Fife (Thomas Docherty). I have listened closely to his arguments, and I found them tremendously persuasive. When discussing his new clause and mine, the question we must ask is whether the way in which the Ministry of Defence deals with base closures or realignments is adequate. Is the way in which the criteria are established widely understood? Is there transparency and consistency in the process?

It is well known to the Minister that I represent the most defence-dependent constituency in Scotland. We have already heard about the sad and, I believe, avoidable closure of RAF Kinloss. The present basing review is also considering the potential to make this a unique double base closure involving RAF Lossiemouth as well. I therefore have a close understanding of the way in which the Ministry of Defence deals with base closures and realignments. I hope that, having listened to me and the hon. Member for Dunfermline and West Fife, the Minister will at least concede that there are areas in which improvements could be made.

[Angus Robertson]

The Secretary of State has been gracious with his time, and he has met me on three occasions to discuss the impact of base closure considerations in order that I might share those matters with the community that I represent. The insight from those meetings was quite constructive, because what he said to me then was not what he has said in the Chamber thus far. On the day of the announcement of the strategic defence and security review, he told me that he understood that Moray was a very defence-dependent constituency, and that any delay would cause distress to the service and non-service personnel and have an impact on the local economy. He was confident that the basing review affecting RAF Lossiemouth would be concluded by December—December 2010.

Shortly thereafter, the Secretary of State had another meeting with me at which he said that the considerations in the basing review had changed. He said that it was no longer just a consideration about where Tornado aircraft should be based—and hence a straight choice between RAF Lossiemouth and RAF Marham—as the Ministry of Defence was looking at issues such as the repatriation of UK forces from Germany, so it made sense for the Department to roll into one all the issues around basing. He was confident at that time that a recommendation would be made by the Department by February and that the decision would be taken within weeks thereafter. That meant spring 2011. Then, at our third meeting, I was told that the announcement on RAF Lossiemouth and all other bases would not take place on the second date that had been promised, but would take place some time before the summer recess.

I have to tell the Minister that I represent people who are making decisions about their mortgages, their rent and their children's education, and businesses that are finding it difficult enough in these times of economic austerity to get a loan from the bank and are holding it together from one month to the next. Thus, having been told authoritatively, as I was by the Secretary of State, that an announcement would be made within weeks—that is, before Christmas—it is not good enough to then be told that, unfortunately, because the criteria for the basing decisions were being changed it would not happen until the spring after the recommendation at the end of February and on and on, only to be told at the end that we shall have to wait until just before the summer recess. That is no way to run a basing review.

When we talk about a covenant, it should not be a covenant only with our service personnel; surely it should also be a covenant with the communities that have associations, long and deep, with the armed forces, whether they be based in Fife, Moray, Norfolk or anywhere else. The Ministry of Defence owes it to our defence communities to treat them better than they have been treated throughout this basing review.

My experience led me to try to understand what represents best practice—what I encountered is certainly not best practice—in the United Kingdom. I visited the United States, which has two approaches that I believe it is important for Members who care about defence matters to understand. Frankly, I believe them to be the gold standard.

First, the process through which decisions on base realignment and closure are considered in the United States is totally transparent. The criteria need to be explained by the Department of Defence in the US—and the procedure is not ad hoc. First of all, the DOD needs to come forward with an explanation of how it plans to base its service personnel. These matters have since time immemorial—whether it be in the United States or in the United Kingdom—always been the subject of discussion and questions arise such as whether there has been political intervention. Are decisions made more on the basis of geography, which might have more to do with the advantage of political parties, than on military or strategic considerations?

The US took a decision more than 20 years ago that it needed to deal with base realignments and closure in a totally different way. It still protected the important role of the Department of Defence in making suggestions about what it believed needed to happen, about which bases should remain open and which should be changed through use realignment. What I have sought to crystallise in my new clause is the fact that a commission was created and its members were people with real military experience. Nominations were made from both sides of the aisle to ensure that it was a non-partisan process.

The commission's criteria include ensuring that the impact of the decisions brings about a defence footprint across the United States—not just in one or other part of it—and looking closely at the recommendations of the DOD. The commission then makes a recommendation that goes to the Hill for approval on a "yea or nay, take it or leave it" basis. This ensures that party political considerations are taken out of the equation. It ensures that the recommendations coming forth from the commission make sense across the US. All the legislators I spoke to from both sides of US politics said that this process was a Godsend, which had made a profound difference to how these matters were dealt with in the US. I believe that that is worthy of consideration.

The hon. Member for Dunfermline and West Fife made the point that it is important to have parliamentary oversight; I totally agree. The way in which our review has been conducted over recent months has, frankly, been lamentable. For one thing, those of us who are reasonably close to understanding how the processes have worked are aware that the criteria have changed and that political decisions have been made about how many bases should be in different parts of the UK, with people then being asked to get a fit around which bases they should be. That is no way to run an orderly base realignment after the strategic defence and security review has been concluded.

I agree that there should be parliamentary oversight; this should not be conducted only by the Ministry of Defence. I have no reason to believe that the information provided to Ministers to help them make their decision is not well thought through: I am sure it is, but it has taken such a long time. The issue is not just about parliamentary approval, however, as there needs to be a degree of independent insight, which is why I believe we should have a commission nominated by the Defence Select Committee.

Thomas Docherty: The hon. Gentleman says that the information might have been well thought out within the Ministry of Defence, but is it not the case that what we have seen is a rushed and ill-thought-out defence review that was thrown together on the back of a fag packet at the very last minute? That applies to the

decision to take the Ark Royal out of service and the decision on the aircraft carriers. Is not the Ministry of Defence now having to play catch-up after the ill-conceived decisions made last October?

Angus Robertson: The hon. Gentleman makes valid criticisms of the SDSR, but I am talking specifically about the process in which issues of base realignment and closure are addressed. There was some debate across the Chamber about the criticisms of the SDSR, but I think that might have detracted from both the hon. Gentleman's proposals and mine. Frankly, our proposals should win favour from the Government Front-Bench team. Why? Because this is the gold standard. This is the best way in which the very difficult process of base realignment and closure has been dealt with, very effectively, by another nation.

I have not yet decided whether to press the new clause to the vote. My proposals might be new to the Government Front-Bench team, so I will be looking for assurances that the Government acknowledge that the process of base realignment and closure should be subject to improvement. If the Government propose ways of ensuring that there will be no delays, that there will be transparency, and that the criteria used in the current round of base realignments and closures will be changed, I may be persuaded not to press the new clause to a vote. However, I believe that communities—in Moray, in Fife, in Norfolk or anywhere else—that have suffered as a result of delays deserve something better. If at least one good thing comes out of this botched process, namely an acknowledgement from the Government that they could and should improve it, I will not proceed with my new clause, in the hope that the Government will return at some stage with better-thought-through approach for the future.

Gemma Doyle: The Government have created a huge amount of worry and uncertainty through their decisions about bases in Scotland and, indeed, other parts of the country. It is entirely understandable that communities feel aggrieved about the process that the Government are undertaking, and I sympathise with the aims of both my hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) and the hon. Member for Moray (Angus Robertson). As we have heard, serious complaints have been made about the process. Defence Ministers have been dragged into the House on a number of occasions of late, and this is yet another area in which they need to get their act together.

8.30 pm

Mr Robathan: I have huge sympathy for those who have been put in a position of uncertainty and, perhaps, adversely affected by the closure of bases. The hon. Member for Moray (Angus Robertson) has stood up for his constituents a great deal, and he has made the point that it is his job to make. I take that entirely on board. I am afraid I cannot say that we will change everything, but I will deal with his points later. First, however, I will deal with what was said by the hon. Member for Dunfermline and West Fife (Thomas Docherty)—and let me say for the avoidance of doubt that I do know who he is.

New clause 1 is very unwelcome at a time when we are trying to streamline the way in which the Government conduct operations. It would require the prior approval of both Houses of Parliament to any alteration in the function of, and any closure of, any of our bases anywhere in the world. As well as bases in the United Kingdom, it would affect bases in Germany, Cyprus, the Falkland Islands and Afghanistan. That would hamstring our operations. It would involve our revealing publicly our plans and, no doubt, a great deal of highly sensitive information so that the Houses could debate it.

Even assuming that the real intention of the new clauses and amendment relate only to bases in the United Kingdom, as I am sure is the case, I believe that the proposed action would be inappropriate. In practice, Parliament would be notified of any major base closures or realignments. The Department already undertakes a significant amount of consultation on stake sales with local authorities, interest groups, trade unions and local Members of Parliament. Notwithstanding the widespread view that we do not listen, I have undertaken consultation with local Members of Parliament about certain cases, not necessarily involving big bases but involving MOD sites. I have taken a couple of issues very much to heart, and am looking into them in detail. I assure the hon. Gentleman that it is not just a case of window-dressing.

Base closures and changes are already subject to a number of legislative requirements through, for example, planning consents and the need for sustainability assessments. Parliament already has ample opportunity to make its views about proposed major changes known to the Government, and Parliament and indeed the nation will no doubt hold the Government to account for the decisions that they make. We believe, however, that it must be right for the Government to make those decisions. Requiring advance approval would constitute an abandonment of the Government's responsibility, and would make vital strategic decision-making impossible.

Thomas Docherty: I asked earlier what discussions the MOD had been having with stakeholders such as the Scottish Government and the Department for Education about school provision, which was clearly a huge problem. Are those discussions still taking place?

Mr Robathan: The Minister for the Armed Forces has been dealing with specific bases. I am afraid that I cannot give the hon. Gentleman the information for which he has asked, but I should be happy for him to meet me or, perhaps more appropriately, my hon. Friend to discuss the issue. I shall mention that to my hon. Friend, although he will spot it in *Hansard* in any event. Amendment 1, of course, is linked to new clause 1.

I did not know that the hon. Member for Moray had engaged in a discussion that seems to have continued for longer than he may have wished, but I think it important for us to get this right. Contrary to what people think, we care what happens not just to our service personnel but to the people who work in and around service bases, because it affects their lives. I am aware that the hon. Gentleman has taken a close interest in the review of defence basing and estates requirements over the last year, not only to represent his constituency interests but because RAF Lossiemouth has featured heavily in speculation. Given that the hon. Gentleman is his party's defence spokesman, of course he is interested in what is happening in Scotland.

[Mr Robathan]

One of the problems with this new clause is to do with the Base Realignment and Closure Commission in the United States. The hon. Gentleman may have offered that before as a model that we should follow, but we take the view that the Defence Secretary must act in the best interests of defence—that is what he is appointed to do—and where defence assets and personnel are based must depend on strategic considerations for the security and defence of the United Kingdom and value for money for the taxpayer.

I acknowledge the hon. Gentleman's enthusiasm for the process used in the United States, but in our parliamentary system the Secretary of State for Defence is accountable to Parliament in a way that does not apply in the United States. Members of Parliament can, and do, make representations directly to Ministers, and I assure the hon. Gentleman that those representations are heard. This is not pure window dressing, so I hope he, too, will not press his amendment to a Division.

Thomas Docherty: I will be brief, as an important set of new clauses are to be discussed next and I know colleagues wish to have a full debate on them.

I have been heartened by some of the Minister's remarks. I did not agree with all he has said, but he nevertheless offered an eloquent defence of his position. I was particularly heartened by his offering me a meeting with his ministerial colleague, the Minister for the Armed Forces, and I will be delighted to accept that offer. In turn, I am sure he will be delighted to know that the Defence Committee has decided to undertake a review of the basing decisions in the autumn. I suspect he and his colleagues will therefore eagerly anticipate appearing before the right hon. Member for North East Hampshire (Mr Arbuthnot), who chairs the Select Committee, along with his Select Committee colleagues, including myself.

Based on the assurances I have received and the good debate we have had this evening, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 7

VOLUNTARY DISCHARGE OF UNDER-18S

'(1) The Armed Forces Act 2006 (c. 52) is amended as follows.

(2) In section 329 (Terms and conditions of enlistment and service), after subsection (3) there is inserted—

"(3A) The regulations shall make provision that any person under the age of 18 shall be entitled to end their service with a regular force by giving not less than 14 days' notice in writing to their commanding officer, and shall ensure that any person enlisting under the age of 18 is informed of this right when they enlist."'.—*(Dr Huppert.)*

Brought up, and read the First time.

Dr Julian Huppert (Cambridge) (LD): I beg to move, That the clause be read a Second time.

The Temporary Chair (Dr William McCrea): With this it will be convenient to discuss new clause 11 —*Enlistment of minors*

'(1) The Armed Forces Act 2006 is amended as follows.

(2) In section 328(2)(c) (Enlistment) the words "without the consent of prescribed persons" are omitted.'.

Dr Huppert: It is a great pleasure to move this amendment in my name and that of my hon. Friend the Member for Wells (Tessa Munt), who is present. It would allow under-18s to leave the armed forces as of right, if they so wished. There have already been some discussions on this with the Minister, so I shall not detain the Committee for too long. It is an important issue, however, and a number of groups have worked hard, along with my hon. Friend, myself and others, to press for this change. I wish to note in particular the efforts of the Quakers in Britain, especially Michael Bartlet, who has spearheaded much of the awareness-raising that has led to our reaching this point.

The proposal to allow under-18s to leave as of right has also been supported by the Joint Committee on Human Rights. I should declare that I was a member of it at the time, which may or may not be coincidental. It gave a clear recommendation that—astonishingly—fits extremely well with the amendment I am now proposing:

"We recommend that a right to discharge for under-18s be established, and that all those recruited under the age of 18 be told of this right."

Thomas Docherty: The hon. Gentleman has referred several times to under-18s having a right to leave. I had the privilege of serving on the Armed Forces Bill Select Committee and we took some evidence on this matter, and I am sure the hon. Gentleman would accept that they do currently have a right to leave, but that the length of notice is different from that which he proposes.

Dr Huppert: They do not have the right to leave before they turn 18. After the first six months, a 17-year-old, or a 16-year-old even, does not have the right to leave. In the case of the Army, they are there for, I believe, six years after they pass that first six months. In practice, that is not necessarily enforced, but that is not the same as their having a right.

Thomas Docherty: I have heard the argument about five or six years before. When personnel turn 18, they have an absolute right to choose to leave at that point. I accept that, perhaps, that is not as well publicised as it might be, but this talk of their being in for five or six years is not entirely accurate.

Dr Huppert: I thank the hon. Gentleman for that point, but I think he would agree that somebody who joins on their 16th or 17th birthday currently has no right to leave, although in practice they might be allowed to, which is a slightly different issue.

Why is this an issue for under-18s? We have a whole lot of rules for under-18s: we do not allow them to vote—although many of us think that we should because they are adult enough to do that—we do not allow them to have credit cards or to enter into other legal decisions because they are not treated as adults who are able to commit themselves for such a long time; and they cannot bind themselves to a credit agreement to pay a certain sum of money the next month, except in very exceptional circumstances. They can, however, commit themselves to an extended period in the armed forces.

It is quite clear that in many cases they are allowed to leave, even though they do not have that right. It is hard to be sure, however, whether that covers every case of somebody under 18 who wishes to leave. We would not know if they were too scared to ask their commanding officer or if some other social pressures made it hard. We know that there are cases of bullying in the armed forces and although I am sure we all abhor the fact that that goes on, there are a number of such cases and it is hard to know what would happen then.

The situation is unclear, so we proposed an amendment to make it absolutely clear what was and was not allowed. I am grateful to the Minister for responding to the report produced by the Select Committee on the Bill after the amendment was tabled and after a number of discussions, parliamentary questions and so on. He has made a welcome announcement, stating that

"for those under the age of 18, the ability to be discharged will in future be a right up to the age of 18, subject to an appropriate period of consideration or cooling off."—[*Official Report*, 19 May 2011; Vol. 528, c. 26WS.]

I want to place on record my thanks to the Minister for taking that step, which is very welcome to a number of the people involved. I have a few specific questions, however, and I hope that he will be able to clarify the situation for me.

First, what is this period of consideration or cooling off and roughly how long would it last? My amendment allowed 14 days' notice; I suspect he has a different figure in mind and it would be helpful to know what it is. The second part of the JCHR's report and of the amendment state that any person enlisting under the age of 18 should be informed of their right and I hope the Minister would agree that it would ideal for them to be told that they have it, even though he would hope that many of them would not avail themselves of it. Finally, will he update the Committee on the process as it stands? Has he given instructions that the rule should apply as of now and will people be told that there is this right? He talks about requiring secondary legislation to make such a provision, which I look forward to seeing, but when will such an instrument be laid before the House?

John McDonnell (Hayes and Harlington) (Lab): I want, briefly, to support new clause 7 and I also want to express my thanks to the Minister for his statement about improving the system. He seems somewhat surprised to get unanimous support—

Mr Robathan: It is amazing.

John McDonnell: I can assure him that it will not last for long.

I also want to argue in favour of new clause 11. My new clause, like new clause 7, is based on the briefings that we have received from the Quakers and I pay tribute to them for the work they have done in raising the issues about the recruitment of under-18s into the military. I also want to thank Michael Bartlet for the work he has done in raising the profile of the issue over some time.

My new clause would simply end the recruitment of anybody under the age of 18, because I find it extraordinary that when it comes to military recruitment or their engagement in the military, we do not treat under-18s as minors. Legally, that is what they are. I therefore find it extraordinary that we allow children to sign up to involvement in the military, legally—currently—making a commitment for six years. They are minors, signing up to a process that could put them in harm's way and which certainly puts them under a disciplinary regime and environment that has made a number of them vulnerable over the years.

For the record, I understand that there are currently 580 16-year-olds and 1,970 17-year-olds serving in the British armed forces. I have been surprised to learn from parliamentary answers and MOD information that between April 2007 and April 2010, three 17-year-old service personnel were deployed to Afghanistan and two to Iraq. I have also been concerned to learn, in answer to a parliamentary question, that on 1 December 2010, there were five under-18s serving sentences at the military corrective training centre at Colchester for having gone absent without leave.

8.45 pm

We have had various debates in the Chamber condemning the practice in developing countries of recruiting child soldiers, but that is what we are doing—we are recruiting children into the military services. As the MOD information shows, we are not only sending them to war zones but subjecting them to military discipline that involves their detention in a corrective establishment. I just do not find that acceptable and I do not think it is a practice to which this country should adhere. The Minister might correct me on this, but I understand that we are now the only European country that recruits under-18s to the armed forces. I would welcome a rethink from the Government about the whole practice of recruiting children into the military and the possibility of phasing it out. I understand that the Minister might not want to accept the amendment this evening and I will not press it, but I would welcome consideration from the Government about phasing out the recruitment of children to the military.

We have a duty to protect young people, which sometimes involves protecting them against decisions that they make at an age at which, in other circumstances, we would not consider it appropriate for them to make the sort of commitment that is involved or to put themselves in situations that might lead to their being in harm's way or to their lives being at risk.

Tessa Munt (Wells) (LD): I thought this might be a good opportunity to point out that new clause 7 would alleviate some of the difficulties mentioned by the hon. Gentleman. With extensions to education and training in 2013 and 2015 up to the ages of 17 and 18, more young people might find themselves momentarily attracted to joining the forces. They can get through the first part but, as the hon. Gentleman's point about the young people who have gone absent without leave shows, they sometimes experience a crisis in their lives. New clause 7 would alleviate the problem.

John McDonnell: I think that new clause 7 would bring an immense improvement to current practices and I support it, but I object in principle to the recruitment of children into the military. For 13 years, I was the part-time house father of a children's home when they were run as family units and one could pursue one's

[John McDonnell]

own career while also operating as the father of a family group. In that time we dealt with a large number of young people from extremely disturbed backgrounds and prepared them for fostering into ordinary homes. A number of those who came to us were extremely vulnerable and I remember many of them going into military service at a very young age, almost because they were looking for the security of an institution because they had, frankly, been institutionalised as a result of their lives in care. At the time, I thought those young people were extremely vulnerable and were making the wrong decision. At the age of 16, people are too young to make that major decision to go into the armed forces and put themselves under a disciplinary regime that can result, as it has done, in a number of youngsters being put in corrective establishments. As I have said, some others have been sent to war zones. I would welcome a careful rethink from the Government about this issue and I hope that they will consider coming back with proposals to accept the measures in new clause 7 and to follow other European countries in phasing out the recruitment of children into the Army.

Mr Robathan: I am grateful to the hon. Members for Cambridge (Dr Huppert) and for Hayes and Harlington (John McDonnell) for their compliments. I am not used to that and, as the hon. Member for Hayes and Harlington said, I do not expect it to continue. Never mind. We enjoy these things while they happen.

I was interested in some of the comments that were made because I think the hon. Member for Cambridge is quite keen on reducing the voting age to 16, which seems not entirely at one with some of the things that were said during the debate. However, I shall not dwell on that.

Young people who join the armed services at the ages of 16 and 17 are a valued source of manpower—it is particularly man power in the Army—but we take the duty of care seriously too. When the subject was first raised with me, I had not appreciated that there was what we might describe as a certain element of confusion over whether people could leave at the age of 18. The situation is changing, but currently if a young man—they are typically young men—approaching his 18th birthday said that he was unhappy, he would be dubbed an unhappy minor and in practice he would be allowed to go after a cooling-off period. However, the situation is slightly confused.

People who go absent without leave do not necessarily do so because they want to leave the armed forces. The hon. Member for Hayes and Harlington might say that that is ridiculous, but sometimes people go AWOL because they have done something wrong and they do not want to face the music. There can be other reasons.

My hon. Friend the Member for Dewsbury (Simon Reevell) has spoken to me about the situation too and, after listening to people and to the debate in the Select Committee, it seems to me that it is important to clarify the position. As the hon. Member for Cambridge said, people will have a right to leave up to the age of 18. However, I am not saying that we want them to leave, so we shall give them a cooling-off period. It is likely to be longer than two weeks. It is a genuine change and will be enacted in statute, because it is right that people understand that they do not have to beg to leave; they have the right to leave, but we shall make every effort to dissuade good young people from leaving if we wish to retain them.

The hon. Gentleman asked about the time scale. People are currently informed of their rights and that will continue. The answer to his question is the old parliamentary expression, "We expect secondary legislation soon." I hope it will be before the recess, but it may not be. I do not want to get it wrong.

I turn to people who are less satisfied, if I can put it that way, such as the hon. Member for Hayes and Harlington. We want good young people to join the armed forces and we get a pretty high quality of recruit these days, as I think the hon. Member for North Durham (Mr Jones) would agree. Prohibiting the enlistment of people under the age of 18 would be to the detriment of the armed forces. We take real pride in the fact that the armed forces provide challenging and constructive education, training and employment opportunities for young people.

Not all the young people who join the armed forces come from happy backgrounds. The hon. Gentleman talked about young people leaving care and joining the armed forces because they saw it as a way out of their difficult circumstances. It is important to bear that in mind.

I shall digress if I may, although it is absolutely germane to the discussion. Probably—notwithstanding other claims—the most decorated man in the British Army at the moment has two conspicuous gallantry medals, a George medal and an MBE. He is now a lieutenant-colonel. When I met him last year, he told me that he spent the night before he joined the Army, aged 17, in a police cell in Bradford. He will not mind my saying this because he told me quite openly—*[Interruption.]* I know; being in Bradford is a bit much—*[Laughter.]* Oh God, I've let myself in for a few questions now. Humour never translates on to the pages of *Hansard*.

That man decided that the future for him was either one that did not look very good and might involve further visits to prison and police cells, or that he would join the Army. He joined the Army at the age of 17 and he has not just made an outstanding career for somebody without great educational qualifications but, if I may say so, has made himself a role model for many people from disadvantaged backgrounds.

Mr Kevan Jones: Does the Minister agree that although there are such individuals, there are also many who go, for example, through the Harrogate college and gain qualifications, or through the excellent Welbeck college where they do A-levels? Not all are from the kind of background that he describes, although I accept that some are. Those colleges give them life chances and educational opportunities that they might not get elsewhere.

Mr Robathan: The hon. Gentleman is right. I could not agree more. We get some very high-quality people—I presented the prizes at Welbeck two weeks ago, and there is also the apprentice college, Harrogate.

Tessa Munt: I could not agree more that young people should be in college or in education of one sort or another. If that is attached to a military establishment, that is fantastic. Will the Minister confirm, however,

that three 17-year-old service personnel were deployed to Afghanistan and two to Iraq between April 2007 and April 2010? I know that that is not very many young people, but the hon. Member for Dunfermline and West Fife (Thomas Docherty), who is no longer in his place, implied that in Committee he had heard evidence that that did not happen. I may be incorrect. Can the Minister clarify the position?

Mr Robathan: I think the hon. Lady has in her hand a parliamentary answer that I gave her on exactly this issue. Those cases occurred under the previous Government and it was a mistake in each case. Funnily enough, the young men involved wanted to go on operations. A mistake was made, out of 24,000 reservists, as we have just heard, deployed on operations Telic and Herrick. Thousands are deployed each year and I am afraid that mistakes are made. If memory serves me right without having the answer in front of me, I think that two of the individuals mentioned were within a few days of their 18th birthday, and one was found out and sent back. We try to rectify mistakes when they are made, but there are a large number of people and if they do not own up to their age, that can be a problem. We do not intend that that should happen and we will pursue the matter to make sure that it does not.

John McDonnell: So that we get absolute clarity, it is the unanimous view of the Committee, therefore, that no minor should be taken to a war zone. Let us get that on the record.

Mr Robathan: That has been policy since before I joined the armed forces, which I am afraid to say was in 1970. *[Interruption.]* No, not 1870. It was 1970.

I can assure the Committee that we recognise the need for special care in recruiting and training under-18s. There are currently no plans to revisit the Government's recruitment policy for under-18s, which is fully compliant with the optional protocol on the involvement of children in armed conflict in the United Nations convention on the rights of the child.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): The Minister may have been about to answer my question. What action has been taken since the UNCRC 2008 report, which asked the Government to look again at their proactive policy of recruiting under-18s? *[Interruption.]*

Mr Robathan: I hear from a sedentary position the suggestion that perhaps the previous Government did not take any great action on that. We do not intend to revisit our policy on the matter. However, it is important to say that all service in the armed forces is voluntary, unlike in many other armies around the world. Furthermore, no person under the age of 18, because such a person is deemed a minor, can join the armed forces unless the application is accompanied by the formal written consent of a parent or guardian. As I have just said, our defence policy is that no such service personnel are knowingly deployed on any operation outside the UK that could result in their becoming engaged in hostilities. We take very seriously the duty of care of all recruits, particularly those aged under 18, who, inevitably, can be more vulnerable than some older people. This is not a partisan position, because we have inherited this from the last Government and it has run through several Governments.

To this end, parents or guardians of all younger personnel, as well as the applicants themselves, are given comprehensive written and face-to-face guidance on the terms and conditions of service and the right to discharge during the selection process, and will be when it changes. This occurs at various times before the parent or guardian provides formal written consent for the child to enter service.

In the light of that and our clear determination to give good careers to young people under the age of 18, be it for three or 30 years, I hope that the hon. Member for Cambridge will withdraw the motion.

9 pm

Dr Huppert: I thank the Minister for answering all my questions. My only reservation is that I hope that the time period for cooling off will not be too much longer than two weeks. Sixteen days would be absolutely fine. I look forward to seeing what the Minister says.

I also thank the Minister for his comments about adulthood at 16. I look forward to his joining our campaign to get votes at 16. That is a welcome step. He shakes his head, but I assume he really means to be supportive. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 15

DEFENCE STATISTICS

'(1) The Secretary of State for Defence shall publish annual statistics on—

(a) defence spending by each Government Office Region by—

(i) equipment expenditure;

(ii) non-equipment expenditure;

(iii) service personnel costs;

(iv) civilian personnel costs; and

(b) defence spending in each local authority area by—

(i) equipment expenditure;

(ii) non-equipment expenditure;

(iii) service personnel costs;

(iv) civilian personnel costs.

(2) The Secretary of State for Defence shall publish annual estimates of national and regional employment dependent on MoD expenditure and defence exports.'.—*(Angus Robertson.)*

Brought up, and read the First time.

Angus Robertson: I beg to move, that the clause be read a Second time.

It is a pleasure to speak in favour of new clause 15 on defence statistics, which, for some, might appear a dry subject but which, after a strategic defence and security review and during an ongoing basing review, is quite important. It is especially important to those of us who have concerns that the way in which the Ministry of Defence has been managing its infrastructure, manning levels and spending is grossly imbalanced. We know all this because it has consistently provided parliamentary answers that show it to be true. It is true in Scotland, Wales and Northern Ireland, and in a number of English regions. The worrying prospect is that the result of this

[Angus Robertson]

basing review will confirm that many of the trends that I have raised repeatedly here, in Westminster Hall and in parliamentary questions will continue.

There are reasons to be worried. For example, the Ministry of Defence has confirmed that since the last strategic defence review in 1997, 10,000 defence jobs have been lost in Scotland. We also know that between the last strategic defence review and this current review, the gap between Scotland's population share of defence spending and the amount of money actually spent on defence in Scotland was £5.6 billion. The underspend statistics for Wales and Northern Ireland during the same period are £6.7 billion and £1.8 billion.

Gemma Doyle: The hon. Gentleman knows full well that if he had his way and Scotland was independent, the MOD footprint would be non-existent in Scotland. He may wish to come to an arrangement with England or with the MOD in an independent Scotland, but he has to assume that all military assets would be withdrawn. Furthermore, he supports the scrapping of Trident so, implicitly, the MOD spend would be less than it is now.

Angus Robertson: I am interested in the hon. Lady's intervention. I am sorry that she did not take the opportunity to support the case I am making. The case about defence statistics is quite important, which is why the leader of her party in the Scottish Parliament, Iain Gray, put his name to a joint submission that used those very statistics, together with the leader of the Conservative and Unionist party and the leader of the Liberal Democrats in the Scottish Parliament. Incidentally, all those party leaders have hinted at their resignations, having lost in the recent Scottish Parliament elections. None the less, all three leaders, together with the Scottish National party, put their names to that submission.

The hon. Lady wishes to entice me to talk about the advantages of independence in relation to defence, which I am happy to do at any point. I note that she did not take the opportunity to apologise for the loss of 10,000 defence jobs in Scotland while her party was in power. I am more than confident that using our population share of defence spending in Scotland would provide a net increase in spending and manpower, protecting the bases that have been closed by both her party and the Conservatives.

To return to the publication of defence statistics, I would have thought it was a matter of concern to Members on both sides of the House that rather than continuing to provide statistics on these matters, the UK Government have simply stopped answering parliamentary questions and providing the important information. Members who have not looked at the issue might be asking themselves, "Are the statistics that the SNP is taking about available in other countries?" The answer is, "Yes, of course they are." The Canadian Department of National Defence provides statistics to its parliamentarians across the range of expenditure. In the United States, members of Congress and everyone else can access information on defence spend across the communities and states of the US. Until recently, that was the case here in the UK.

On jobs, we know that when Labour left office there were 10,480 fewer people in defence jobs than there were in 1997. That leaves the current uniform contingent in Scotland at 12,000, which is significantly less than our population share. Looking at the Government Front Bench, I am pleased that the Secretary of State for Defence acknowledged when giving evidence to the Scottish Affairs Committee that there had indeed been a disproportionate reduction in defence jobs in Scotland under Labour. However, it must be pointed out that for a number of years we had consistent answers to parliamentary questions on service personnel costs, civilian personnel costs, equipment expenditure and non-equipment expenditure.

In fact, there is a complete dataset from 2002 to 2008 showing a number of important but very worrying facts. It shows that the defence underspend increased from £749 million in 2002-03 to £1.2 billion in 2007-08, a 68% increase in just six years. Between 2002 and 2008 the underspend on defence in Scotland under the Labour Government was a mammoth £5.6 billion, contributed by Scottish taxpayers to the MOD but not spent on defence in Scotland. Between 2005 and 2008 there was a drastic real-terms decline year on year in defence spending in Scotland.

I note that the hon. Member for West Dunbartonshire (Gemma Doyle) is not seeking to intervene to explain why the defence underspend was so large under Labour. There was actually a 3% cut in defence spending between 2006-07 and 2007-08, a shocking indictment of the previous Labour Government. If we widen the scope of the statistics to include Wales and Northern Ireland, we see that in the six years from 2002 to 2008 there was an accumulated underspend of £14.2 billion. In the same period in which there was an underspend of £5.6 billion in Scotland, there was a staggering £6.7 billion underspend in Wales and a £1.8 billion underspend in Northern Ireland. I point out to right hon. and hon. Members on the Government Benches representing constituencies in England that regions across England similarly have significant issues of defence underspend.

What the statistics show is shocking enough, but just wait for how the Ministry of Defence chose to deal with this! Did it make policy choices to deal with the underspend or make decisions to remedy the fact that there were these cuts in defence manpower? No, it did not. In 2009, tucked away at the end of a report, there was an "important note" entitled "Cessation of National & Regional Employment Estimates", which stated:

> "Ministers have agreed that after this year (2009) the Ministry of Defence...will no longer compile national and regional employment estimates because the data do not directly support MOD policy making and operations."

I thought, my goodness, surely there is some mistake—that could not be the case. Then, on 6 April last year, the then Secretary of State for Defence provided what turned out to be the last parliamentary answer on defence expenditure in Scotland, confirming that it was not a mistake, and that rather than dealing with the policy challenges the MOD was going to get rid of the proof:

> "Since 2008 the MOD has not collected estimates of regional expenditure on equipment, non-equipment, or personnel costs as they do not directly support policy making or operations."—[*Official Report*, 6 April 2010; Vol. 508, c. 1200W.]

The information is still readily available within the Ministry of Defence, but the decision was taken not to provide it to Parliament.

This has happened since the time of the last Labour Government. Given the public pronouncements about transparency, new politics and the respect agenda that we heard from the Conservatives and their Liberal Democrat coalition allies, I hoped that their rhetoric might be matched by openness. I have not been encouraged by much in the coalition agreement, but it says on page 7:

"we"—

that is, the Conservative party and the Liberal Democrats—

"are both committed to turning old thinking on its head and develop new approaches to government. For years, politicians could argue that because they held all the information, they needed more power. But today, technological innovation has—with astonishing speed—developed the opportunity to spread information and decentralise power in a way we have never seen before. So we will extend transparency to every area of public life."

Section 16 of the agreement, entitled "Government transparency", continues:

"The Government believes that we need to throw open the doors of public bodies, to enable the public to hold politicians and public bodies to account. We also recognise that this will help to deliver better value for money in public spending, and help us achieve our aim of cutting the record deficit. Setting government data free will bring significant economic benefits".

There were two specific commitments. First,

"We"—

the Government—

"will require full, online disclosure of all central government spending and contracts over £25,000";

and secondly,

"We"—

the Government—

"will create a new 'right to data' so that government-held datasets can be requested and used by the public".

Aha! I was encouraged. Surely, given those commitments, we would see the information. I am delighted that the Minister for the Armed Forces is able to join us at this stage, because what I am about to say relates directly to him.

9.15 pm

I was delighted to hear similar claims of openness from the new ministerial defence team in the House of Commons debate on the strategic defence and security review on 21 June. *Hansard* records that the new Minister for the Armed Forces said:

"Hon. Members—and everybody else—have the opportunity to contribute and make whatever representations they wish to make. If there are hon. Members who feel that they are under-informed, and want more information to inform representations that they might make during the review, they need only let us know. Ministers have an open-door policy, and Members are welcome to any further information that they feel they need."

That prompted me to intervene and ask:

"During the previous Parliament, the Labour Government provided statistics on employment and expenditure throughout the nations and regions of the UK. Will the new coalition Government give a commitment to continue producing those statistics?"

The Minister replied:

"Yes. Whatever information right hon. and hon. Members need in order to make representations to the review—"

but to be doubly sure, I interjected:

"Is that a yes?"

The Minister answered, unambiguously:

"That is a yes. Hon. Members need only ask for any information that they need."—[*Official Report*, 21 June 2010; Vol. 512, c. 132.]

Naturally, I was delighted.

The Minister for the Armed Forces (Nick Harvey): Our position then, as today, was that we are only too ready to share with hon. Members any information that we have and that we compile. As the hon. Gentleman knows only too well, the previous Government ceased to compile that information, and frankly for very good reason. It was unreliable information being measured against an old and out-of-date baseline. No defence decisions were being made in the light of that information. It is several years since that information has been compiled. We are happy to share with him any information that we have in this regard, but we do not have that information any longer.

Angus Robertson: I am terribly sorry, but I just do not think that is good enough. I know that the Minister has just arrived, and no doubt he has come from an important engagement, but before he arrived I was making the case that there are very good reasons to continue to have this information. It seems to me that the very good reasons in the MOD for stopping the publication of these datasets is that, frankly, they are so embarrassing.

I return to the turn of events, which it is important for Members to understand. Having received those assurances from the Minister for the Armed Forces in this Chamber, I wrote a grateful letter to him:

"I wanted to thank you personally for your unambiguous commitment during this week's debate on the Strategic Defence and Security Review that the new Coalition Government will continue to publish both employment and defence spending statistics for the nations and regions of the United Kingdom... Towards the end of the term of office of the last government it was proving difficult to secure these important statistics and I am appreciative that you have given such a clear assurance that they will continue to be published."

In the blink of an eye—I assume it was written as soon as my letter arrived in the Minister's private office—I received a letter back saying much the same as he has just said from the Dispatch Box. In an instant, the Ministry of Defence reneged on a promise made in the House of Commons and in the coalition agreement that there would be openness and transparency. There are also vital clues that should concern everybody who cares about the defence footprint across the UK. Apparently, the Government think that there is

"no clear defence benefit to be gained"

from collating statistics by region and nation, and national and regional data do not

"directly support MOD policy making".

That will come as a shock to many people, not least the Chief Secretary to the Treasury, who has said publicly in terms that economic considerations will form part of the basing review. How on earth can we have an informed debate when the Government do not even provide the statistics?

Mel Stride (Central Devon) (Con): I am not clear whether the hon. Gentleman is arguing that there is some value to the MOD in exercising its duty from collecting this dataset. Is there a value or not? If there is, what is it?

Angus Robertson: I am very grateful to the hon. Gentleman because that is the crucial question. The information was viewed as essential by previous Governments. Why? Because it informed us about the impact of MOD policy making on the nations and regions of the UK. That was why the figures were collated in the first place and why the answers were provided to MPs. Members asked questions about the information because we thought it was important, and the *Hansard* record will show that those questions were asked by MPs of all parties.

The information is not just important in Scotland, Northern Ireland or Wales but should be a matter of concern to people throughout England, too. They need to understand what impact MOD policy making is having on their part of the country. The figures should inform us of that. Should they lead all decisions? Of course not, but they should inform policy decisions.

Mr Dodds: We are talking about the publication of information and statistics that were previously published and are published elsewhere across the world. Such statistics are published on other matters, not just defence. Surely no one can argue against the hon. Gentleman's central theme, which is that we should know the impact that this vast area of expenditure has on the regions and nations of the United Kingdom.

Angus Robertson: The right hon. Gentleman makes a point that everybody should understand. Providing the information is not difficult. Governments here have done it, and Governments elsewhere around the world do it. Frankly, we would be in dereliction of our duty as parliamentarians if we did not try to inform ourselves of how the Department that we are trying to hold to account is spending our constituents' tax money. How that informs our political priorities is a totally different matter, but the coalition parties made an express commitment to everybody in the United Kingdom that they would seek and deliver transparency. When it comes to defence statistics, they have reneged on that.

This is an opportunity for both Conservative and Liberal Democrat Members—and Labour Members if they have found their conscience on the issue—to understand that this is an important problem that is easily remedied. The new clause would allow that to happen, as it would force the MOD to provide and publish the statistics that we all deserve. That is why, unless the Minister agrees to publish the statistics, I will force a Division on this important issue.

Mr Robathan: Having listened to the hon. Member for Moray (Angus Robertson), I have to say that I thought his indignation was completely synthetic. What is important is how the money is spent, not how statistics are gathered, and I will put on record what we feel.

The Ministry of Defence has no plans to reinstate the publication of annual estimates of regional defence spending or the employment effects of that expenditure. The Department decided to stop the compilation and publication of those statistics three years ago. Although the statistics were valuable in giving national and regional employment context to defence spending, the data did not directly support MOD policy making and operations. Furthermore, the compilation of the series depended on external sources that had not been updated for some years. The MOD had been struggling to maintain the quality of the statistics even to a basic level. To reinstate their compilation would cost the Department about £500,000 in the next four years.

The purpose of the defence budget is to maintain the armed forces so that they can contribute to our nation's security—a nation that includes, I am glad to say, Scotland and Northern Ireland. Every pound that the MOD spends must contribute to the security of the United Kingdom, and it gets doled out not on a regional basis but on a defence-needs basis.

Mr Dodds: I stand as a member of a Unionist party in Northern Ireland that is proud to be part of the United Kingdom, but this is not about being part of the UK. It is about the information that is available to Members of Parliament and the public. Surely the Minister should recognise that distinction.

Mr Robathan: Information on employment is quite readily available with a little bit of hard work, but I am afraid that we must consider the cost of compiling inaccurate statistics. The previous Government took their view, and we support it. Decisions on where personnel are based and which contracts are let to which firms are based solely on what is best for the armed forces and the defence of the realm. It is the duty of Government to ensure that the defence budget is spent wisely, maximising the resources available on the front line and ensuring that every pound counts.

Angus Robertson: The Minister points out that because a caveat in the coalition agreement suggests that the publication of some statistics is more expensive than the publication of others, he has a get-out-of-jail card in respect of publishing statistics on defence and the MOD.

Mr Robathan: I do not believe that the hon. Gentleman is being deliberately obtuse. The point is that the Government do not have all the statistics to publish, and compiling them would be extremely expensive—and, as I just said, they are becoming increasingly inaccurate. We do not compile statistics on everything.

Those estimates were difficult and intensive to maintain. They relied on analytical tables produced by the Office for National Statistics that have not been updated since 1995. As I have explained, the statistics did not support the MOD's decision making. I have looked into how much it would cost to reintroduce the estimates and the cost is higher than the benefit to defence. My main focus, and our main focus, must be on doing what is best for the armed forces.

I note from previous debates on this subject that the hon. Gentleman is concerned that the cessation of those statistics will mean that a gap emerges in information on defence, particularly with regard to Scotland. It should be noted that assessments of the employment effects of MOD expenditure will continue to be undertaken for individual defence projects, and as part of the regional impact assessments that are conducted to inform MOD base closures. For instance, we know how many people are employed at specific bases—that is quite straightforward—but we do not compile huge tables of statistics that are of no great value. Decisions and policy in these areas will continue to use evidence about the employment impacts.

In the light of that, I hope the Committee rejects new clause 15.

Angus Robertson: I pointed out that the coalition parties made a pledge on transparency in their agreement. They said that they would provide all information on contracts of more than £25,000. I am sorry to say, however, that the Minister has suggested at the Dispatch Box that, somehow, the coalition does not have to live up to that commitment in defence matters. The commitment that the statistics would be provided was also given to me in this Chamber, but it has been reneged on. More importantly, Members of Parliament should have those statistics as a matter of course. The fact that the outcome of those statistics is unfortunate for decision makers in the MOD is no reason not to publish them. That is why I press new clause 15 to a Division.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 10, Noes 282.

Division No. 292] [9.27 pm

AYES

Campbell, Mr Gregory
Dodds, rh Mr Nigel
Edwards, Jonathan
Hermon, Lady
Hosie, Stewart
Lucas, Caroline
MacNeil, Mr Angus Brendan
Robertson, Angus
Simpson, David
Williams, Hywel

Tellers for the Ayes:
Dr Eilidh Whiteford and Pete Wishart

NOES

Adams, Nigel
Afriyie, Adam
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Long, Naomi
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Paice, rh Mr James
Parish, Neil
Patel, Priti
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David

Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Norman Lamb and James Duddridge

Question accordingly negatived.

New Clause 17

DUTIES OF PUBLIC BODIES AND MINISTERS

'(1) In preparing policy, public bodies and Ministers must have regard to those matters to which the Secretary of State is to have regard in preparing an armed forces covenant report, under subsection (2A) of section 359A of AFA 2006.

(2) In preparing policy, public bodies and Ministers must consider whether the making of special provision for service people or particular descriptions of service people would be justified.'.—*(Gemma Doyle.)*

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 213, Noes 291.

Division No. 293] **[9.41 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison

Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Lilian Greenwood and Angela Smith

NOES

Adams, Nigel
Afriyie, Adam
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lopresti, Jack
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Paice, rh Mr James
Parish, Neil
Patel, Priti
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Soubry, Anna

Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Norman Lamb and James Duddridge

Question accordingly negatived.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill to be considered tomorrow.

Business without Debate

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

THE COMMON AGRICULTURAL POLICY TOWARDS 2020

That this House takes note of European Union Document No. 16348/10, a Commission Communication on the Common Agricultural Policy towards 2020: Meeting the food, natural resources and territorial challenges of the future; supports the UK Government's response to this Communication, calling for ambitious reform that will enable farmers to adapt to future challenges; and notes that detailed legislative proposals are set to emerge by the end of 2011.—*(Miss Chloe Smith.)*

Question agreed to.

PETITION

McMillan Daycare Nursery (Hull)

9.53 pm

Diana Johnson (Kingston upon Hull North) (Lab) *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Will Members leave the Chamber quickly and quietly? There is more business for the House to deal with.

Diana Johnson: I beg leave to present a petition signed by Kerry Stansfield and Abigail Flavell, both of whom are constituents of mine, and by more than 440 other people who oppose the closure of the McMillan day care nursery, which has been rated outstanding by Ofsted and which is managed by Andrew Shimmin, the excellent head teacher of McMillan children's centre and nursery school.

The petition

Declares that statements made by Ministers of the Crown to the effect that Sure Start children's centres across the country have sufficient funding to continue providing the level of service that they have attained in recent years, appear to be contradicted by the reductions that are happening across the country; further declares that the petitioners believe that the resulting reduction in the affordable childcare in children's centres will discourage some parents from seeking employment and will prove damaging for the long-term development of children.

The Petitioners therefore request that the House of Commons urges Ministers to review the funding arrangements for children's centres to ensure that the valuable investment in the future that they represent is protected.

And the Petitioners remain, etc.

[P000929]

Hospital Food

Motion made, and Question proposed, That this House do now adjourn.—*(Miss Chloe Smith.)*

9.55 pm

Joan Walley (Stoke-on-Trent North) (Lab): I am very grateful to Mr Speaker for granting me this Adjournment debate on hospital food. As you, Madam Deputy Speaker, and many Members will know, I have long been interested in this issue and have pursued it in Parliament, so when I was fortunate enough for my name to be drawn in the private Members' Bills ballot at the beginning of this parliamentary Session, I was clear about the Bill I wanted to draft. I wanted it to introduce minimum nutritional, environmental and ethical standards for the food procured by the public sector and served in our hospitals, care homes, armed forces institutions and the rest of the public sector.

The Bill gained widespread support from industry and from more than 60 health and environmental groups, including organisations as diverse as the caterer Sodexo, the women's institute, the Chartered Institute of Environmental Health, and the Royal College of Paediatrics and Child Health. These organisations have witnessed years of failed attempts to improve public sector food through voluntary initiatives, and have seen first hand the damage caused by bad food in our public institutions, and they are united in the belief that the only way to improve public sector food is to ensure that all public bodies buy food according to national minimum standards. Despite that, the archaic parliamentary procedure that applies to private Members' Bills means my Bill has still not received its Second Reading debate, and without Government support it is very unlikely to proceed. The Procedure Committee is conducting an inquiry into parliamentary sitting hours, and I hope it takes seriously the inadequate procedure relating to private Members' Bills and proposes reforms that allow MPs the opportunity to introduce a Bill and proper parliamentary time for the consideration of its merits. My experiences in that regard have led me to seek an Adjournment debate to address this general issue from the perspective of health and the procurement of sustainable food in so far as that affects the Department of Health.

The procurement of sustainable food by the public sector is a cross-cutting issue. The Department for Environment, Food and Rural Affairs has lead responsibility for cross-cutting sustainable development issues, and I expected it to have been more decisive and to have taken an effective initiative in exploring how progress can be made. I wish to bring to the attention of the House a letter from the DEFRA Minister with responsibility for food, which basically said there was an ongoing review and he hoped to have the opportunity to report to the House by March, but we still have not had that opportunity.

Tonight's debate arises at a timely moment given today's announcement on the Health and Social Care Bill, and I want to link the issue of sustainable food and procurement with health and healthy food in hospitals. If, indeed, the stated aim of our NHS is to have excellent care for all, we need to address the issue of hospital food, so I am very grateful for the opportunity to raise the issue of the procurement of sustainable food in hospitals as well as the equally important issue of the quality of hospital food—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

Madam Deputy Speaker (Dawn Primarolo): I am sorry for the interruption, but the procedure caught up with us. Please, continue.

Joan Walley: I am most grateful for the explanation, Madam Deputy Speaker. I was confused by the fact that this Adjournment debate started before 10 o'clock. That might explain some of my slight nervousness, as I was unsure about whether I was speaking in order with the proceedings of the House. I am grateful.

Sustainable food procurement links to health and to hospital food, too. I want the Government to set out the role that food plays in patient pathways and the priority I believe that hospitals should give to ensuring that, where required, patients are assisted to eat the food that is served. We have heard too many shocking accounts of malnutrition and dehydration as well as the plain criticism that hospital food is bad and unappetising. We should be doing something about that.

At the core of this debate is a central contradiction. The Government are happy to rail against regulation and boast about their bonfire of red tape, but they are equally proud—and rightly so—of their standards for the procurement of sustainable food for the Olympics and of their intentions for there to be a Government buying standard for food. They promote their localism agenda aggressively, leaving choice to those at a local level, but the net effect, I believe, is that no overall quality standard applies to the food served in hospitals. I do not see how such a postcode lottery can be justified and I want to consider that in more detail.

Let me turn first to malnutrition. It is not just a matter of having appetising food for patients; this can literally be a matter of life and death. In its 2009 report submitted to the Department of Health, the Nutrition Action Plan Delivery Board showed that in the region of 47,800 people had died with malnutrition while in English hospitals in 2007. Of those, 239 patients died directly because of malnutrition—that is an important distinction to make. In the report, the delivery board recommended as a key priority that the Government should clarify nutrition

"standards and strengthen inspection and regulation"

to address this problem. The issue is being flagged up.

In its recent report, "Still Hungry to be Heard", Age UK found that the number of people leaving hospital malnourished is on the increase. A recent answer to a parliamentary question from my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry), placed in the Library of the House of Commons, acknowledged that from 2006-07 to 2009-10, instances of malnutrition increased in total from 2,581 to 3,773 and, as regards discharged episodes, from 2,883 to 4,412. That inevitably leads to further serious consequences, including longer stays in hospital, the need to take more medication and an increased risk of infection and even death.

To put it in purely financial terms, the estimated cost of malnutrition to the NHS in 2006 was £7.3 billion a year. Although we do not have an accurate figure for how much it costs the NHS today, given the fact that

[Joan Walley]

malnutrition is on the increase it is likely to be higher still. I believe that the Department of Health should have up-to-date figures on the cost of malnutrition, and I urge the Minister to look into the matter and give us an indication of what the costs are.

Dealing with malnutrition in hospitals is not simply about making food taste better. Even if we could do that, a whole range of other issues must be addressed. First, hospital staff must be aware of what food patients can and cannot eat. They need to be able to identify which patients need help with eating their meals and to be willing and able to provide that help or, if they cannot provide it, to have a robust system of volunteers to assist. Age UK has produced a seven-step guide to eradicating malnutrition in hospitals, to which I urge the Minister to give his attention. There is also an issue with dehydration and it is important to make sure that patients in hospital have proper access to water. That simply cannot be taken for granted.

It is not only nutrition and malnutrition that need to be addressed. There must be recognition by Government of the role that healthy food plays in healthy lives. The Government estimate that 70,000 preventable deaths each year in the UK are caused by diet-related ill health. One simple thing that the Government could do to tackle that problem is to ensure that the food served to patients in hospital is nutritious. That sounds simple but the issue is how it will be done. It is also important that the Government prioritise the role of public health.

I also want to mention the dignity and nutrition reports—*[Interruption.]* I am most grateful. Talking of dehydration, it is important that I refer to the dignity and nutrition reports recently published by the Care Quality Commission.

Madam Deputy Speaker (Dawn Primarolo): Order. If the hon. Member wishes to take a seat and take some more water so as not to strain her voice, I am sure that the Chamber will not mind waiting a few seconds more.

Joan Walley: I am most grateful Madam Deputy Speaker.

The first tranche of what will be 100 dignity and nutrition reports into individual hospitals found that in four of the 10 hospitals investigated, the nutritional needs of patients were not being met. The reports also stated that the quality of hospital food remains a long-standing concern. This highlights both the extent of the problem and the importance of the Care Quality Commission's role in monitoring and reporting on hospital performance in relation to nutrition. I believe that its resources should be increased so that it can carry out more such checks and fulfil the delivery board's recommendation of strengthening inspection and regulation. I also believe that the CQC should be made fully accountable for how that work is done.

I want to discuss regulation because that is ultimately the best means of improving hospital food. It is remarkable that there are still absolutely no legal standards governing the quality of the 330 million meals served in the NHS each year. In its report, "Yet more hospital food failure", published earlier this year, Sustain's "Good Food for Our Money" campaign surveyed dozens of Government-backed initiatives to improve the quality of hospital food. Alas, it found that those initiatives have cost at least £54 million of taxpayers money and have achieved improvements in only very few isolated cases. The reason is simple: they have all been voluntary, so except in those few isolated cases they have been largely ignored. Let us contrast that with the successful attempts to improve the food served in schools, where meals have to meet legal nutritional standards. A survey by Consensus Action on Salt and Health—CASH—in October 2010 showed that most meals served to children in hospital could not legally be served in a school because they contained too high a level of salt and saturated fat. The reason for the success in schools is simple: minimum nutritional standards in schools are legally binding, but in hospitals they are purely voluntary.

To date, successive Governments have failed to send a clear message to hospital caterers that the quality of their food is critical to patient health and the sustainability of our food system. It is not asking for the impossible. For many years, the Royal Brompton hospital in Chelsea has practised a progressive approach to its food procurement, providing nutritious and appetising meals prepared from fresh ingredients, which enables patients to recover faster.

Unfortunately, the Government's ideological commitment not to introduce more regulation, regardless of its merit, is a serious block to improving hospital food. I return to Government buying standards. The coalition Government have at least recognised that voluntary initiatives have limited effect; they do not work across the board and over time. As a result, they will introduce Government buying standards that set compulsory minimum standards for food served in central Government institutions. I hope it will be soon, as the standards were promised for March 2011, and we have waited for more than a year. They were promised by the Conservative party pre-election; they were welcomed by the coalition Government and were the subject of a great deal of Department for Environment, Food and Rural Affairs civil servant attention throughout 2010. The work also involved the Department of Health to integrate badly needed health standards for food served in central Government institutions. The integration of health and sustainability standards for food bought with public money was an innovative and much needed approach, and should act as an inspiration for the wider catering sector to follow suit. Tackling health, ethical and environmental issues together should save the country money and be of great benefit to food producers and the environment.

The real issue for me is that even when the Cabinet Office home affairs committee signs off the Government buying standards, they will not apply to hospitals and hospital food. That is the heart of the concern. On the day the Government are revising the Health and Social Care Bill and recommitting it to further scrutiny, should the Health Minister not be exploring with colleagues at DEFRA and in the Cabinet how the long-promised Government buying standards can be extended to hospital food? If that is ruled out, surely there should be urgent discussions with the NHS Future Forum, the National Audit Office and expert groups, such as Age Concern and Sustain, which have a track record on this matter, with a view to tabling amendments to the Bill so that we have minimum standards for nutrition in hospital food.

Tessa Munt (Wells) (LD): There is another part to the equation. I have worked in further education colleges and it would seem logical that when we train chefs they

should take a module on the specifics of nutrition for people in hospital. That is a different element. Does the hon. Lady think we could focus on that to improve standards?

Joan Walley: I am glad to take that intervention. It is an extremely important point. Basic minimum standards should be applied to schools and in future to hospitals, but that will not happen by accident. It will happen only if we put in place all the necessary education, training and skills. Whoever is responsible for providing the food needs to be trained. I agree that that is a third dimension to the issue.

I apologise to the House for having lost my voice because of my cold. In conclusion, surely there is no other institution where it is more vital to serve healthy, wholesome food than in our hospitals. That is important in so many ways—for the recovery of patients, staff morale, and the atmosphere that fills the wards. When hospitals serve good nutritious food, everyone benefits. I therefore call on the Government to introduce minimum nutritional, environmental and ethical standards for hospital food that will radically improve the quality of food served, reduce costs to the NHS and improve the health of the nation.

10.16 pm

The Minister of State, Department of Health (Mr Simon Burns): I congratulate the hon. Member for Stoke-on-Trent North (Joan Walley) on securing this debate on hospital food. I hope she gets better swiftly. I have considerable sympathy with her as she was clearly suffering through no fault of her own, and I wish her a speedy recovery.

I know that food and nutrition is a subject dear to the hon. Lady's heart, and that she has done a considerable amount of work in her constituency, bringing together schools, primary care trusts, the city council and others, Prue Leith not least among them, to see what can be done locally to improve the diet of her constituents. I pay tribute also to the many NHS staff who have worked so hard to push nutritional care up the agenda, and who continue to make it their priority.

Good food—nutritionally balanced, clinically appropriate meals that taste good— are right up there with good hygiene and good clinical care when it comes to a patient's experience of the NHS. They are all things that we should be able to take for granted while being cared for by the NHS. Good food contributes directly to recovery from illness and it adds structure to a day that can be all too long and featureless. Although I agree with much of what the hon. Lady said, there are some details on which we may not have such close proximity of views.

As the hon. Lady mentioned in the course of her comments, we will shortly publish the Government buying standards for food. Developed by DEFRA and the Department of Health, they will support and encourage public bodies to provide a healthy balanced diet for public sector workers. They will also help to reduce the environmental impact of food and catering in the public sector. However, as the hon. Lady said, within the NHS, these standards will be voluntary, not mandatory. Government buying standards are already promoted through the NHS operating framework for 2011-12 and through the Boorman review of health and well-being on the NHS, now being implemented by NHS Employers. We will promote the Government buying standards through training and materials developed to help NHS organisations to procure more sustainably.

The Government believe in giving far greater responsibility and control locally to NHS providers. NHS trusts must be allowed to determine their own procurement policy. Hospitals need to find out the wants and needs of their local population and then work out how to meet them efficiently. Government's role is to set the direction and the policy, but it is for local experts to deliver the food locally. This is not to say that the NHS is on its own. There are a number of resources available, including guidance on reducing food waste, sustainable procurement and developing menus and food services.

No health care catering manager need feel unsupported. If hospitals wish to increase the proportion of locally-sourced food, there is guidance to help them do that. If they have a problem with food waste, there are resources that can help them to tackle it. This is the way we should tackle problems—with assistance and support, not restrictive legislation and diktat. It is wrong for Government to meddle in the detail and to attempt to micro-manage the NHS from on high. Our job is to create the right environment, to set standards and to lead, and that is what we are doing.

Joan Walley: Is not there a contradiction in having minimum standards in schools but not having minimum standards that would apply in the same way to patients in hospitals?

Mr Burns: No, I do not think so, for the reasons that I have already given and because of our ethos that the modernised NHS should respond through local decision-making rather than top-down diktat from Whitehall or Westminster. However, as I have outlined, we are prepared to, and we have and we will, provide the guidance to enable local deliverers to seek advice and take decisions based on the best needs of their patients.

We should also bear in mind that the food needs of patients are already regulated and checked by the Care Quality Commission, through the choice of suitable food, the food and nutrition to meet reasonable needs and the support to enable patients to eat and drink—a subject that I will come on to because I feel very much, as the hon. Lady did, that that is an essential part of the care of patients in a hospital setting.

I share the hon. Lady's concerns about poor standards of nutritional care. In too many cases, food has slipped off the menu of some NHS providers, and that is not good enough. Of course, proper nutritional care is a multidisciplinary affair. There are many links in the chain from field to fork. Food must be well sourced and properly cooked by well-trained catering staff, delivered efficiently by the porters, and properly presented on the ward. The chain is a long one, and if any single link breaks, the good work that went before it is undone. Of course, the best food is of no value if it is not eaten, and many people, particularly older patients, will need help, and they must have it. Stories of food left out of reach, or taken away before a patient has had the chance to eat it are shocking and, sadly, too common, as are stories of those unable to feed themselves left without the assistance they require.

[Mr Simon Burns]

The latest in-patient survey found that less than two thirds—64%—of patients always got the help they needed to eat. But that sadly meant that 36% did not always get the help, which, frankly, is unacceptable. That is something that hospitals must concentrate on to ensure that we quickly and dramatically raise those figures. In a civilised society, in this day and age, that is unacceptable as part of patient care, particularly for elderly people.

That is why we asked the CQC to inspect 100 hospitals, focusing on issues of dignity and nutrition. The CQC has begun to publish reports on individual hospitals, and we expect a final report in September. In most cases so far, the care was every bit as good as one would expect. There were many examples of high-quality nursing and of people enjoying healthy, nutritious meals. Indeed, in a number of cases, the quality of food was actually complimented. But the inspections also identified a number of hospitals that were failing to provide the nutritional care their patients need. In one damning example, a doctor was forced to prescribe water on a patient's medicine chart to ensure they got enough to drink. That, again, is unacceptable, and something that one would find hard to believe if it had not shown up in the inspection. Where there are deficiencies, the CQC has demanded that improvements are made. Progress against these demands will be followed up and, like everyone in this House, I expect such follow-up to be rigorous and complete.

The CQC's inspection programme is just one example of how we are shining a light on all aspects of the performance of NHS providers—in this case on hospital food. There are also the annual patient environment action team inspections, the CQC's in-patient survey and patient feedback through NHS Choices, along with any local surveys that trusts choose to undertake. This information is crucial if patients are to make informed choices about their care and if pressure is to be brought to bear upon providers to improve.

Improving the patient experience of care is vital to drive up standards. Providers need to listen to patients' complaints and suggestions and to change and improve in response. This will be one of the main ways in which the NHS will improve in coming years. Our information revolution will mean that patients are better placed to understand and influence the NHS, and we expect to see standards increase as performance becomes more transparent.

When it comes to hospital food, people know what they want. They expect good-quality, wholesome meals that are attractively served, arrive on time and taste good. They want to receive the food they ordered, not what is left over. They want to be able to eat it in comfort, they want sufficient fluids to drink, and they want the help they need when they need it. That is hardly asking the earth, so we owe it to them to be clear about what they can expect in their local hospital, however good or bad it may be.

I understand the hon. Lady's concerns about hospitals that are built without kitchens. However, there are many ways to provide food in hospitals. Excellent meals can be delivered ready-made, either chilled or frozen, and poor-quality food is not an inevitable consequence of being made off-site. Although the quality of the food at the University Hospital of North Staffordshire has been rated as among the poorest 20% in the country, that is not simply because it is not made in a hospital kitchen. Other hospitals, such as those in Papworth Hospital NHS Foundation Trust and Dorset County Hospital NHS Foundation Trust, also have meals brought in and maintain in-patient survey scores that are among the highest in the country. In fact, for a small hospital, delivered meals can combine a wider choice of food and more accommodating meal times, with economies of scale and greater flexibility.

Delivered meals can also help hospitals to meet high sustainability standards, because although on-site kitchens might at first seem more likely to be sustainable, that is not necessarily the case. Larger off-site kitchens are often more efficient because, by utilising economies of scale, they can reduce the amount of energy they use. What is important is the quality of the finished product and whether it meets the specific needs of patients, not where or by whom the food is produced or prepared. If the best solution for a particular hospital is to do that on site, that is what should happen. However, the service should be contracted out if that is in the best interests of the individual hospital and its patients. We should reject any knee-jerk reaction that says doing it in one way will automatically be a disaster, or vice versa. With food, as with all aspects of NHS care, it is the outcomes that are important to patients, not the process. We need to remember that whoever provides the food, the trust management retains the responsibility for its quality. If the provider does not meet the standards that the trust has set, it must take action.

Of course, efficiency and value for money are also important. We have to find ways of producing excellent food at manageable cost. For some hospitals, that will certainly mean looking at delivered meals. This is sensible and prudent management, but it need not and should not mean poor quality. As long ago as 2002, the Audit Commission found no relationship between the amount of money spent on meals and their quality, and the Department of Health's more recent internal analysis backs this up. Across the country there are trusts that provide great meals at low cost, which is precisely what all providers should aspire to. The Queen Victoria hospital NHS foundation trust is in the top 10% of NHS organisations rated by patients for having good food, but in the lowest 5% for production costs.

As ever, improving patient experience is central to the Government's vision of the NHS. Good food is not only a vital element of that experience, but vital for improving clinical outcomes. However, I do not accept that the answer to these problems is to impose ever more controls that would prove expensive to administer, undermine local accountability and stifle the innovation and flexibility that hospitals need to tailor improvements to their specific local needs and constraints. Where food services are not as good as they should be, we should highlight the fact in order to improve care for patients. I do not pretend that making improvements will be easy or fast. Although there is much to do, I am confident that we now have the right approach and that the real winners in all of this will be patients.

Question put and agreed to.

10.30 pm

House adjourned.

House of Commons

Wednesday 15 June 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

CABINET OFFICE

The Minister for the Cabinet Office was asked—

Volunteering

1. **Duncan Hames** (Chippenham) (LD): What plans his Department has to help match young people with volunteering opportunities. [59568]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): We are investing in the national citizen service, which will be very powerful in connecting young people with their own power to make a contribution to the community. In addition, we will invest £40 million over the next two years to support volunteering infrastructure and social action.

Duncan Hames: I thank the Minister. Grow, the organisation behind Wiltshire's volunteer centre in Chippenham, is keen to extend the range of support it provides in matching young people with volunteering opportunities as part of Wiltshire council's volunteer strategy and action plan. Will the new local infrastructure fund be able to support such initiatives, be they in Wiltshire or elsewhere?

Mr Hurd: I was in Devizes constituency in Wiltshire on Friday, and I recognise that Wiltshire council represents best practice in many ways in supporting local voluntary organisations and local infrastructure. I am delighted about the local infrastructure fund, because it will help existing infrastructure assets become even more efficient and effective in supporting front-line voluntary organisations and encouraging local people to get involved.

Mrs Jenny Chapman (Darlington) (Lab): We all support efforts to encourage volunteering, but does the Minister share our concern that under proposals in the Protection of Freedoms Bill on the vetting and barring scheme individuals who are barred from working with children will be able to volunteer in schools, and without the school's knowledge?

Mr Hurd: The Bill contains very important reforms to vetting and barring, and critically to the Criminal Records Bureau process, which many Members will know from their constituencies is a source of considerable frustration for people who are trying to volunteer. I agree with the reforms that will make that process simpler, more effective and more portable.

Industrial Action (Public Sector)

2. **Karl McCartney** (Lincoln) (Con): What steps he is taking to prepare for potential industrial action in the public sector. [59569]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): We are committed to maximum engagement with the public sector unions to seek agreement on essential reforms, and especially to make public sector pensions sustainable and among the very best available, as Lord Hutton, Labour's Work and Pensions Secretary has recommended. I am sorry that a handful of unions are hellbent on pursuing disruptive industrial action while discussions are continuing. However, we have rigorous contingency plans in place to minimise disruption in the event of industrial action.

Karl McCartney: I thank my right hon. Friend. Does he have a message for public sector workers who are contemplating strike action on 30 June?

Mr Maude: Yes, I do. I strongly recommend that they should not go in for industrial action. If schools close as a result of teachers going on strike, there will be considerable disruption not only to children's education but to the lives of parents whose livelihoods depend on schools being open. While discussions are still going on about how to keep public sector pensions among the very best that there are, and at a time when taxpayers in the private sector have seen hits to their own pension schemes, I think people will be really fed up if industrial action goes ahead.

Mr David Winnick (Walsall North) (Lab): Why should the Government be surprised that public sector workers, many of whom are pretty poorly paid, faced with an onslaught on their pensions and frozen pay have decided to fight back? It would be surprising if they had not.

Mr Maude: If the coalition Government had not inherited the biggest budget deficit in the developed world, we might not have to be taking these steps. I remind the hon. Gentleman that a civil servant on median pay—about £23,000—who retires after a 40-year career, which is not untypical, will have a pension that would cost £500,000 to buy in the private sector. No one in the private sector now has access to such pensions.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I commend my right hon. Friend for his determination to engage to the maximum with the public sector unions to try to avoid industrial action? He has made it clear, however, that he does not rule out legislative changes. May I plead with him, on behalf of the Public Administration Committee, that we make changes in an orderly fashion, and that perhaps he should publish a Green Paper to consult on what changes should be made, so that we can have a proper debate about them rather than find ourselves propelled into legislative changes in an emergency?

Mr Maude: I do not have responsibility for industrial relations law; that rests with my right hon. Friend the Secretary of State for Business, Innovation and Skills. We have made it clear that we do not rule out changes, and a number of proposals have been made from outside. We think that industrial relations law works reasonably well at the moment, but we keep it under review.

Jim McGovern (Dundee West) (Lab): Does the Minister agree that pensions should be regarded as deferred wages, and that therefore, as my hon. Friend the Member for Walsall North (Mr Winnick) said, it should come as no surprise that pension scheme members are seeking to protect their future income?

Mr Maude: That is why we are engaging in discussions with the TUC at its behest. The discussions continue, and there is much still to be sorted out. I remind the hon. Gentleman that Lord Hutton, Labour's Work and Pensions Secretary, recommended the reforms to make public sector pension schemes sustainable and affordable for the future. That is what we are determined to achieve. Any union or public servant contemplating strike action is jumping the gun. There is a long way to go yet.

Giving

3. **Andrew Bridgen** (North West Leicestershire) (Con): What steps he is taking to encourage increased levels of giving. [59570]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): The Government are anxious to encourage more giving. On 23 May, we published a White Paper that set out a range of ways in which we can help to make giving easier and more compelling, and offered better support for charities, community groups and social enterprises.

Andrew Bridgen: Although people in the UK are very generous compared with Europeans, the rate of UK charitable giving remains only half that of the rate in America. What further steps will the Minister take to encourage us to give up to the level of our American cousins?

Mr Hurd: My hon. Friend is right—we are a generous country—but giving has flatlined, despite substantial interventions from previous Governments. We do not accept that as being inevitable, and we want to help people to give more. He will know that the Chancellor announced generous incentives in the last Budget. The White Paper contains many ideas, including a social action fund to support creative, new models that incentivise people to give.

Mr Nigel Dodds (Belfast North) (DUP): More people would be encouraged to give, especially to health care charities, if the issue of irrecoverable VAT on all non-business supplies was sorted out. Discussions are being held with the Treasury, but will the Minister ensure that they are expedited so that a mutually acceptable solution is reached as quickly as possible?

Mr Hurd: The issue of irrecoverable VAT continues to rumble on. It is a Treasury matter, but I assure the right hon. Gentleman that as Minister with responsibility for civil society I continue to have regular discussions with the relevant Treasury Minister.

Stuart Andrew (Pudsey) (Con): I spent 16 years in the fundraising sector. Does the Minister agree that one giving barrier for many people is the abolition of cheques?

Mr Hurd: I know that causes a lot of debate and anxiety in the sector. As my hon. Friend well knows, the matter is under review by the Government. It has been stated that cheques need to be replaced by some form of paper-based system.

Roberta Blackman-Woods (City of Durham) (Lab): The House will note that the giving White Paper states that the Government aim to support and manage opportunities for giving, but what will the Minister do to monitor what sums are given and to which organisations? Does he intend to plug funding gaps, should they arise, so that poor areas of the country are not disadvantaged? Indeed, if donations continue to fall, is it a sensible strategy to rely on philanthropy to fill gaps in public funding?

Mr Hurd: The Government see a substantial opportunity to encourage more giving, bearing in mind that 8% of the country do 47% of the giving. The hon. Lady asks about money for more deprived areas. Our "community first and community organiser" programme, which is worth about £80 million, is exclusively targeted on the most deprived communities. The programme incentivises the local giving of time and money to support social action projects led by those communities.

National Citizen Service

4. **Mr Philip Hollobone** (Kettering) (Con): What steps he is taking to enable young people in (a) England and (b) Northamptonshire to participate in the national citizen service in the summer of 2011. [59572]

6. **James Morris** (Halesowen and Rowley Regis) (Con): What steps he is taking to enable young people to participate in the national citizen service in the summer of 2011. [59574]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): As my hon. Friend the Member for Kettering (Mr Hollobone) knows, we are offering more than 10,000 places to 16-year-olds this summer, including 135 in Northamptonshire. Our 12 providers are working hard to ensure full participation. I hope that he will lend his personal support to Catch22 and the Prince's Trust in his area.

Mr Hollobone: What steps are being taken to encourage full participation in the scheme, and how can parents get involved to encourage youngsters to take up this challenge?

Mr Hurd: Our providers are working very hard to ensure full participation in the pilots by engaging schools, working with local media, and using social networking sites, including a dedicated Facebook page. The Minister for the Cabinet Office and Paymaster General and I will write to every colleague in the House with details of how they can engage with their local provider, because we would like them fully to support this exciting and positive opportunity for young people in their constituencies.

James Morris: There are a number of national citizens service pilots in and around my constituency. Does the Minister agree that we need to find ways of increasing and deepening access to this scheme in the most deprived areas by using innovative ways of communicating with youth clubs and other local institutions?

Mr Hurd: My hon. Friend raises an important point. One of the key benchmarks for success of the scheme is creating the right social mix on residential courses. The aim is to create opportunities for young people to meet people they would never otherwise expect to meet. That is very much part of the obligation on our providers and we are monitoring it very closely.

Steve McCabe (Birmingham, Selly Oak) (Lab): I welcome this initiative, but does the Minister agree that the Government need to do much more to prevent a repeat of the '80s, when so many young people ended up on the scrapheap?

Mr Hurd: I thank the hon. Gentleman for his constructive engagement with the national citizen service concept. I obviously reject his thesis and would point him to the investment in apprenticeships and everything else that we are doing. I urge him not to underestimate the potential of this programme to transform young people's sense of what they can achieve.

Bill Esterson (Sefton Central) (Lab): May I ask the Minister again about the barriers to young people from deprived areas getting involved in this scheme, especially in the pilot projects, for which, in half of the cases, young people are being charged up to £99? Does he agree that such charges will be a severe disincentive to young people from those areas, and will he take action?

Mr Hurd: We have made it clear—I have done so personally—to every provider that money should not be a barrier to participation in the pilots. We are experimenting with a range of models to gauge people's willingness to pay for the value that the models add, but we have made it very clear to providers that money should not be a barrier to participation.

Benefit Fraud

5. **Dan Jarvis** (Barnsley Central) (Lab): What progress his Department's counter fraud taskforce has made in tackling benefit fraud. [59573]

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): The National Fraud Authority estimates that £21 billion is lost to fraud in the public sector each year. In recent months, the counter fraud taskforce, which I chair, has overseen a series of small-scale pilots that have made immediate savings of £12 million in benefit and tax credit fraud, and which—when rolled out—will save £1.5 billion a year.

Dan Jarvis: I thank the Minister for his response, which, when compared with the Labour Government's targets for benefit fraud reduction, signals an unambitious approach to tackling this serious problem. Why is that?

Mr Maude: It is one thing to have a target but another to reach it. The £21 billion of public sector fraud that the National Fraud Authority identified arose after his party's Government had set their ambitious targets. We are getting on and doing things—identifying fraud and error and stopping hard-earned taxpayers' money going out of the door, to ensure that instead it goes to the vulnerable people and important public services where it is needed.

Mr James Gray (North Wiltshire) (Con): One and a half billion pounds sounds not like a modest saving, in the words of the hon. Member for Barnsley Central (Dan Jarvis), but like a worthwhile saving, given that every penny comes out of people's pockets. How soon will the Minister be able to take forward savings towards achieving the £21 billion total? We need to stamp this out of the public sector: what can we do about it?

Mr Maude: I should make it clear that this is only the beginning. The issue is not only benefit or tax fraud but procurement fraud. My right hon. Friend the Secretary of State for Transport is undertaking a pilot on supplier fraud in his Department, and it is already yielding significant returns. If the previous Government had been as concerned with eradicating fraud as we are, the public finances would not perhaps be in the mess they are in.

Big Society Bank

7. **John Glen** (Salisbury) (Con): What progress he has made on establishing a big society bank. [59576]

11. **Anne Marie Morris** (Newton Abbot) (Con): What progress he has made on establishing a big society bank. [59581]

The Minister of State, Cabinet Office (Mr Oliver Letwin): I am delighted to say that we are making extremely good progress in establishing the big society bank. Sir Ronald Cohen and Nick O'Donohoe, with whom I met recently, have put an outline of the proposals on the website. They are now working with the actuary and the administrators of the dormant accounts. So as not to waste time while we wait for state aid clearance, we have also established a high calibre interim investment committee in the Big Lottery Fund to begin work immediately.

John Glen: I thank the Minister for that response. What safeguards will be in place so that when small charities seek to access funds from intermediaries they will be making worthwhile investments and not causing themselves to fall into significant debt?

Mr Letwin: My hon. Friend makes an extremely good point. It is tremendously important that the voluntary and charitable sector does not get into a debt spiral, and for that reason the big society bank's plans involve trying to promote patient capital and risk capital that will allow the voluntary and community sector to expand without becoming over-geared and being put in financial peril.

Anne Marie Morris: Does the Minister agree that the big society bank will provide the vital backing required by investors in our social sector organisations, so that they can continue to support local groups dedicated to making communities better places to work and live?

Mr Letwin: Yes, I absolutely agree with my hon. Friend. It is extremely important to point out that the purpose of the big society bank, under Sir Ronald Cohen's direction, is to go beyond the traditional sources of finance and persuade, for example, large charities that have considerable investments to start to reinvest in the voluntary and community sector so that they can get good returns on, for example, social impact bonds.

Mr Wayne David (Caerphilly) (Lab): How long will it take for funds from the big society bank to reach the front line?

Mr Letwin: That very much depends, of course, on the state aid process, which, as the hon. Gentleman will know from his own experience, we cannot totally determine. In order not to waste time, however, the investment committee that has been set up within the Big Lottery Fund will begin to disburse funds from dormant accounts as soon as they are made available and released. I hope that that will happen within a few months.

Lindsay Roy (Glenrothes) (Lab): At a recent meeting of the Public Administration Committee, Sir Ronald Cohen said that the big society bank might have to change its name because it is not a bank. Will the Minister enlighten us? If it is not a bank, what is it?

Mr Letwin: The hon. Gentleman's question reminds me of Maynard Keynes's dictum when asked about the IMF and the World Bank. I think he said that the World Bank was a kind of fund, and the IMF was a kind of bank. There are often these oddities in the naming of things. Shall we just call it the BSB and know what it does, rather than worry about the name?

Mr Speaker: We are now better informed.

Public Bodies Bill

8. **Charlie Elphicke** (Dover) (Con): What recent representations he has received on the provisions of the Public Bodies Bill. [59577]

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): As my hon. Friend knows, the Bill has completed a tortuous but constructive passage through the other place, and we hope for a Second Reading in this place soon. In the meantime, the Cabinet Office and other relevant Departments are holding information sessions for colleagues who want to discuss this important Bill.

Charlie Elphicke: I thank the Minister for his reply, his hard work and the excellent job he is doing on the Bill. Under the Bill, public statutory corporations such as British Waterways will be reformed and become mutuals. Have Ministers considered other similar public bodies, such as trust ports, for inclusion in the Bill?

Mr Hurd: I understand that my hon. Friend is frustrated by the pace of progress in his committed and spirited attempt to allow the people of Dover to take over the port. He will know that the Transport Secretary, who is sitting alongside me, has announced a consultation on the criteria for assessing the sale of trust ports in England and Wales, largely to reflect the Government's localism and big society agendas. It is right for that consultation to conclude before further decisions are taken.

Tessa Jowell (Dulwich and West Norwood) (Lab): In March, the Minister for the Cabinet Office claimed that he would make £30 billion of savings from his quango reform programme embodied in the Public Bodies Bill, so that he could

"protect jobs and front-line services."

My freedom of information requests show, however, that nearly £25 billion of this £30 billion comes from front-line cuts to housing and our universities, including teaching and research. Will he apologise for these misleading statements about protecting front-line services?

Mr Hurd: No—and I am surprised by the line of questioning, because this programme of very overdue reform to the complex landscape of quangos and non-departmental public bodies goes exactly with the grain of the reforms proposed by the previous Government. We are going further in trying to deliver much greater accountability in government, and, on the way, delivering what we believe will be about £2.6 billion in communicative and administrative savings over the spending review period.

Topical Questions

T1. [59584] **Mr David Evennett** (Bexleyheath and Crayford) (Con): If he will make a statement on his departmental responsibilities.

The Minister for the Cabinet Office and Paymaster General (Mr Francis Maude): As the Minister for the Cabinet Office, I am responsible for the public sector efficiency and reform group, civil service issues, industrial relations, strategy in the public sector, Government transparency, civil contingencies, civil society and cyber-security.

Mr Evennett: I welcome my right hon. Friend's progress on public sector reform. Does he know why public sector unions have decided to ballot their members on strike action now, when talks on pension reform are still ongoing?

Mr Maude: Only three of the unions have done that. The majority of unions are continuing to engage in good faith with the discussions that are still taking place. It is our determination that at the end of the reforms proposed by Lord Hutton, Labour's Work and Pensions Secretary, public sector pensions will continue to be among the best available, but we will ask people to work longer because they are living longer and to pay a bit more, to achieve a better balance between what they pay and what other taxpayers pay.

Jon Trickett (Hemsworth) (Lab): How can the Minister possibly justify the announcement on the No. 10 transparency website that since November the Government have spent more than £5 million on tarting up offices in Whitehall, including £680,000 on No. 10 Downing street? How can he justify that when he is laying off nurses, policemen, servicemen and so on? Will he now publish a line-by-line account of how the money was spent?

Mr Maude: Point one: if we had not gone in for full transparency in what the Government are spending, the hon. Gentleman would not know anything about this. Point two: we inherited a massive programme of wasteful refurbishment of Government offices from the previous Government, including some unbelievably badly negotiated PFI contracts. If they had taken the same care as we are taking with taxpayers' money, we would not have the biggest budget deficit in the developed world, which we inherited from his Government.

T2. [59585] **Matthew Hancock** (West Suffolk) (Con): Does my right hon. Friend think that responsible Members of this House, in all parts of the Chamber, should condemn irresponsible strike action that puts children's education at risk and diminishes public services? Does the silence—

Mr Speaker: Order. We are grateful. The hon. Gentleman has finished.

Mr Maude: It would be good to hear Opposition Front Benchers joining us in urging the trade unions to stay with the discussions, which still have a great distance to go, to secure what will still be among the very best pension schemes available. If schools close down, it is not just children's education that will be disrupted, but the livelihoods of millions of parents who depend on schools being open so that they can go to work to earn the money to pay the taxes to support public sector pensions. *[Interruption.]*

Mr Speaker: Order. There is far too much noise in the Chamber and too many private conversations taking place. I want to hear the questions and the Minister's answers.

T5. [59588] **Mr William Bain** (Glasgow North East) (Lab): By 2014, civil society will be losing £2.9 billion a year in revenue—the same as the amount forgone in corporation tax by big companies in the United Kingdom. Why are the Government being so soft on big business and so tough on charities and the voluntary sector?

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): I reject that statement absolutely. The hon. Gentleman is pulling numbers for lost income to the charity sector out of the air and completely ignoring the volume of public sector contracts going in, not least through the recent Work programme, which is worth at least £100 million a year. As for big business, I would simply refer him to a speech made by the Prime Minister last year called "Every Business Commits".

T4. [59587] **Stephen Hammond** (Wimbledon) (Con): You will be aware, Mr Speaker, that my constituency will hold a national sporting event in the next fortnight, the enjoyment of which could be undermined by strikes proposed by the unions. Does my right hon. Friend agree that these strikes are unnecessary, and will he confirm the Government's commitment to talks to ensure that they do not have to happen?

Mr Maude: As I say, we are committed to continuing those discussions. We had further discussions yesterday, and there will be more next week and the week after. There is much still to be resolved. It was Lord Hutton, Labour's Work and Pensions Secretary, who recommended the changes, and in order to make public sector pensions sustainable for the future we need to drive these reforms through.

T6. [59589] **Ian Lucas** (Wrexham) (Lab): On what date did the Government instruct parliamentary counsel to draft amendments to the Health and Social Care Bill, following the consequences of the NHS Future Forum?

Mr Maude: I would recommend that the hon. Gentleman ask that question of the Secretary of State for Health.

Andrea Leadsom (South Northamptonshire) (Con): During 2011, I will be launching a new social enterprise, the Northamptonshire parent infant project. What assurance can my right hon. Friend give me that commissioners will be encouraged to provide medium-term contracts to charities that provide essential support services?

The Minister of State, Cabinet Office (Mr Oliver Letwin): I congratulate my hon. Friend on the fantastic work she is doing with that organisation, which is tackling natal depression and perinatal problems. The central Government compact already provides for multi-year funding whenever that is appropriate. Local compacts are a matter for local decision, but I strongly encourage her county council to offer a multi-year contract, if that is at all possible.

T7. [59590] **Diana Johnson** (Kingston upon Hull North) (Lab): How many mutuals does the Minister expect to support through his Department next year, and will he be making a further statement on the mutual pathfinder?

Mr Maude: We know that there is growing enthusiasm for public sector workers to come together to form employee-led co-operatives or mutuals to carry out and deliver public services. All the evidence shows that they deliver huge increases in productivity and better public services at lower cost, and I hope that the hon. Lady will give her full support—

Mr Speaker: I am extremely obliged to the Minister, but the House must now hear Mr Greg Hands.

T9. [59592] **Greg Hands** (Chelsea and Fulham) (Con): To what extent does the Minister expect any PCS strike action to have an impact on our vital public services?

Mr Maude: We are waiting to see the result of the ballot this afternoon, but I hope that civil servants, who are imbued with a strong public service ethos, will recognise that we are seeking to achieve public sector pensions that continue to be among the very best available. However, because people are living longer, they will be asked to work for longer. Furthermore, because there is not a fair balance between what they pay and what other taxpayers—who have seen their own pensions take a hit—pay, we are expecting them to pay a bit more towards them.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [59594] **Margot James** (Stourbridge) (Con): If he will list his official engagements for Wednesday 15 June.

The Prime Minister (Mr David Cameron): This morning I had meetings with ministerial colleagues and others, and in addition to my duties in this House, I shall have further such meetings later today.

Margot James: Thousands of people in my constituency work hard for less than £26,000 a year. Does my right hon. Friend agree that everyone who believes in the necessity of capping benefits must vote for the Welfare Reform Bill tonight?

The Prime Minister: My hon. Friend is entirely right. We are right to reform welfare. Welfare costs have got out of control in our country. We want to ensure that work always pays, and that if people do the right thing we will be on their side. It cannot be right for some families to get more than £26,000 a year in benefits that are paid for by people who are working hard and paying their taxes. I would say that everyone in the House should support the Welfare Reform Bill tonight, and it is a disappointment that Labour talks about welfare reform but will not vote for it.

Edward Miliband (Doncaster North) (Lab): When the Prime Minister signed off his welfare Bill, did he know that it would make 7,000 cancer patients worse off by as much as £94 a week?

The Prime Minister: That is simply not the case. We are using exactly the same definition of people who are suffering and who are terminally ill as the last Government. We want to ensure that those people are helped and protected. The point that I would make to the right hon. Gentleman is that if you are in favour of welfare reform, and if you want to encourage people to do the right thing, it is no good talking about it: you have got to vote for it.

Edward Miliband: As usual, the right hon. Gentleman does not know what is in his own Bill. Listen to Macmillan Cancer Support, which announced on 13 June: "Cancer patients to lose up to £94 a week". Those are people who have worked hard all their lives and who have done the right thing and paid their taxes, yet when they are in need, the Prime Minister is taking money away from them. I ask him again: how can it be right that 7,000 people with cancer are losing £94 a week?

The Prime Minister: We are using precisely the same test as the last Government supported. All we see here is a Labour party desperate not to support welfare reform, and trying to find an excuse to get off supporting welfare reform. Anyone who is terminally ill gets immediate access to the higher level of support, and we will provide that to all people who are unable to work. That is the guarantee we make, but the right hon. Gentleman has to stop wriggling off his responsibilities and back the welfare reform he talks about.

Edward Miliband: The Prime Minister does not know the detail of his own Bill. Let me explain it to him. Because the Government are stopping contributory employment and support allowance after one year for those in work-related activity, cancer patients—7,000 of them—are losing £94 a week. I ask him again: how can that be right?

The Prime Minister: I have to tell the right hon. Gentleman—*[Interruption.]*

Mr Speaker: Order. The question has been asked; the answer will be heard.

The Prime Minister: The right hon. Gentleman is wrong on the specific point. First of all, as I have said, our definition of "terminally ill" is exactly the same as the one used by the last Government. Crucially, anyone out of work who has longer to live will be given the extra support that comes from employment and support allowance. Irrespective of a person's income or assets, that will last for 12 months. The right hon. Gentleman is wrong, and he should admit that he is wrong. On a means-tested basis, this additional support can last indefinitely. That is the truth; he should check his facts before he comes to the House and chickens out of welfare reform.

Edward Miliband: So let us be clear about this: in his first answer the Prime Minister said that his policy was the same as the last Government's; now he has admitted that the Government are ending contributory-based employment and support allowance after one year. Let me tell him what Macmillan Cancer Support says—*[Interruption.]* I think that Conservative Members should listen to what Macmillan Cancer Support has to say. Let me tell them; this is what it says—*[Interruption.]* I think it is a disgrace that Conservative Members are shouting when we are talking about issues affecting people with cancer. This is what Macmillan Cancer Support says—that many people

"will lose this...benefit simply because they have not recovered quickly enough."

I ask the Prime Minister the question again: will he now admit that 7,000 cancer patients are losing up to £94 a week?

The Prime Minister: Let me try to explain it to the right hon. Gentleman again, as I do not think he has got the point—*[Interruption.]*

Mr Speaker: Order. I think it is a disgrace that Members on both sides of the House are shouting their heads off when matters of the most serious concern are being debated. I repeat what I have said before: the public despise this sort of behaviour. Let us have a bit of order.

The Prime Minister: I am grateful for that, Mr Speaker. This is important, and I want to try to explain to the right hon. Gentleman why I think he has got it wrong, and why I think what we are proposing is right. Let me explain the definition of who is terminally ill; these are horrible things to have to discuss, but let me explain. It is—*[Interruption.]* Hold on a second. The definition is the same one—as I say, it is six months. Anyone out of work who lives longer than that will be given the extra support that comes from employment and support allowance. That is irrespective of a person's income or their assets and it will last for 12 months, not the six months that the Leader of the Opposition claimed. On a means-tested basis, this additional support can last indefinitely. So as I say, it is the same test as under the last Government. It has been put in place fairly, we have listened very carefully to Macmillan Cancer Support,

and we have also made sure that someone is reviewing all the medical tests that take place under this system. I know that the right hon. Gentleman wants to try to create a distraction from the fact that he will not support welfare reform, but I have answered his question, so he should now answer mine: why won't you back the Bill?

Edward Miliband: In case the Prime Minister has forgotten, I ask the questions and he fails to answer them.

Let me try to explain it to him. He should listen to Professor Jane Maher, chief medical officer of Macmillan Cancer Support, who said:

"In my experience one year is simply not long enough for many people to recover from cancer. The serious physical and psychological side-effects can last for many months, even years, after treatment has finished. It is crucial that patients are not forced to return to work before they are ready."

Macmillan Cancer Support and Britain's cancer charities have been making this argument for months. I am amazed that the Prime Minister does not know about these arguments. Why does he not know about them? The House of Commons is voting on this Bill tonight. He should know about these arguments. I ask him again: will he now admit that 7,000 cancer patients are losing up to £94 a week?

The Prime Minister: I have answered the question three times with a full explanation. The whole point of our benefit reforms is that there are proper medical tests so that we support those who cannot work, as a generous, tolerant and compassionate country should, but we will make sure that those who can work have to go out to work, so that we do not reward bad behaviour. That is what the Bill is about. The Leader of the Opposition is attempting to put up a smokescreen because he has been found out. He made a speech this week about the importance of welfare reform, but he cannot take his divided party with him. That is what this is about: weak leadership of a divided party.

Edward Miliband: What an absolute disgrace, to describe talking about cancer patients in this country as a smokescreen! This is about people out in the country and cancer charities that are concerned on their behalf—and the Prime Minister does not know his own policy. It is not about people who are terminally ill; it is about people recovering from cancer who are losing support as a result of this Government. We know he does not think his policies through, but is this not one occasion on which we could say that if ever there was a case to "pause, listen and reflect", this is it? Why does he not do so?

The Prime Minister: What we have seen this week is the right hon. Gentleman getting on the wrong side of every issue. On cutting the deficit, we now have the CBI, the Institute of Directors, the International Monetary Fund, his brother, and Tony Blair, on our side, and he is on his own. On welfare reform, we have everyone recognising that welfare needs to be reformed, apart from the right hon. Gentleman. On the health service—yes—we now have the Royal College of General Practitioners, the Royal College of Nursing, the Royal College of Physicians, the former Labour Health Minister and Tony Blair all on the side of reform and, on his own, the right hon. Gentleman: a weak leader of a divided party. That is what we have learned this week.

Rehman Chishti (Gillingham and Rainham) (Con): On a recent visit to India, my constituent Baljinder Singh's mother, Surjit Kaur, a British national, was kidnapped and then beheaded in a horrendous murder. May I ask the British Government to urge the Indian authorities to carry out a full, transparent and thorough investigation and bring to account those responsible for that horrendous murder so that my constituent and his family can get some justice for their mother?

The Prime Minister: I understand why my hon. Friend wants to raise this case, and on behalf of the whole House let me send our condolences to Mrs Kaur's family. I fully understand and support their wish for justice to be brought to bear on the perpetrators. The Foreign Office has been providing the family with consular support, as my hon. Friend knows, and they will arrange to meet him and the family to see what further assistance we can give. However, responsibility for investigating crime committed overseas must rest with the police and judicial authorities in that country. We cannot interfere in the processes, but I take his point to heart.

Q2. [59595] **Geraint Davies** (Swansea West) (Lab/Co-op): We know that the deficit was the price paid to avoid a depression caused by the bankers, but in March the forecast for the budget deficit was increased by £46 billion—£1,000 per person. Will the Prime Minister now at last accept that cuts are choking growth, that VAT is stoking inflation and that both are increasing the deficit? He is going too far, too fast, and he is hindering, not helping, the recovery. Yes or no?

The Prime Minister: The deficit is the price paid for Labour's profligacy in office. In his memoirs, Tony Blair said—*[Interruption.]* I know that Labour Members do not want to hear about Tony Blair any more, and that is funny, really. He was a Labour leader who used to win elections, so they might want to listen to him. He said that by 2007, spending was out of control. That is the point. We need to get on top of spending, on top of debt and on top of the deficit. I understand that the Labour leader is trying to persuade the shadow Chancellor of that—well, good luck to him!

Andrew Rosindell (Romford) (Con): The Prime Minister will be aware that yesterday was the anniversary of the liberation of the Falkland Islands by the forces of the Crown. Will he remind President Obama when he next sees the United States President that negotiations over the Falkland Islands with Argentina will never be acceptable to Her Majesty's Government, and that if the special relationship means anything, it means that they defend British sovereignty over our own territories?

The Prime Minister: My hon. Friend makes an excellent point, and I am sure that everyone right across the House will want to remember the anniversary of the successful retaking of the Falkland Islands and the superb bravery, skill and courage of all our armed forces who took part in that action. We should also remember those who fell in taking back the Falklands. I would say this: as long as the Falkland Islands want to be sovereign British territory, they should remain sovereign British territory—full stop, end of story.

Q3. [59596] **Nia Griffith** (Llanelli) (Lab): This week we have seen the Government change their mind on the NHS, on sentencing, on student visas and on bin collections, so will the Prime Minister tell us now whether he will change his mind over Government plans to force more than 300,000 women to wait up to two years longer before they qualify for their state pension?

The Prime Minister: All parties supported the equalisation of the pension age between men and women. That needed to happen. We also need to raise pension ages to make sure that our pension system is affordable. The point I would make is that because we have done that, we have been able to re-link the pension back to earnings, and as a result pensioners are £15,000 better off in their retirement than they would have been under Labour. I think that is a good deal and the right thing to do. If anyone in the Labour party wants to be serious about pension reform and dealing with the deficit, they should back these changes.

Q14. [59607] **Mr Alan Reid** (Argyll and Bute) (LD): I agree with the Government's timetable for increasing the men's state pension age to 66, because it happens gradually. However, I ask the Prime Minister to think again about the women's state pension age, because the planned timetable has it going up far too quickly and leaves women of my age—those born in 1954—without enough time to plan for what could be two years' extra work. Will the Government please look at this again?

The Prime Minister: I understand the concern, but the point I would make is that, as I said in the House last week, more than 80% of those affected will see their pension age come in only a year later, so a relatively small number are affected. The key thing is making sure that our pension system is sustainable so that we can pay out higher pensions. The House had a similar argument in Cabinet Office questions, about the sustainability of public sector pensions. We have to take these difficult decisions; they are right for the long term and they actually mean a better pension system for those who are retiring.

Q4. [59597] **Gordon Banks** (Ochil and South Perthshire) (Lab): Does the Prime Minister agree with the Institute for Fiscal Studies that with inflation at 4.5%—more than twice his Government's target—it is hitting pensioners and low-income families the hardest?

The Prime Minister: The point about pensions is that there is the triple guarantee that they will go up by earnings, prices or 2.5%, whichever is higher, so it is not going to affect them in that way. Clearly, we want to see inflation come down. I think there is a shared agreement across the House, and it is right for the Bank of England to have that responsibility. I notice that the hon. Gentleman does not raise today the very welcome news that we have seen the biggest fall in unemployment in one month's figures than we have seen at any time in a decade. I think it is time the Labour party started welcoming good news.

Q5. [59598] **Fiona Bruce** (Congleton) (Con): There is increasing concern within the House and across the country about the hidden suffering of trafficked children—and, indeed, retrafficked children. Does the Prime Minister agree that it is essential for a co-ordinated multi-agency approach right across the country—from borders to local authorities and local police forces, and including the excellent charitable organisations involved in this work—to be promoted urgently?

The Prime Minister: My hon. Friend makes an extremely good point. I know how hard the all-party group works on this issue and I listen very carefully to what it has to say. One thing that is changing, which I hope will make a difference, is the formation of the National Crime Agency, which I think will bring greater co-ordination to such vital issues.

Angus Robertson (Moray) (SNP): The Scottish National party won a landslide in the recent elections and a mandate to improve the powers of the Scottish Parliament, so will the Prime Minister respect the Scottish electorate and accept the Scottish Government's six proposals for improvement in the Scotland Bill?

The Prime Minister: We listen very carefully to what people have to say, and of course we respect the fact that the SNP won a mandate in Scotland; we are responding extremely positively. The first point I make to the hon. Gentleman is that the Scotland Bill, currently before the House, is a massive extension of devolution. He shakes his head, but it is an extra £12 billion of spending power. We will be going ahead with that and we will look at all the proposals that First Minister Salmond has made. I take the Respect agenda very seriously, but it is a two-way street: I respect the views and wishes of the Scottish people, but they have to respect that we are still part, and I believe will always remain part, of a United Kingdom.

Q6. [59599] **Mr James Gray** (North Wiltshire) (Con): Last Friday was the 90th anniversary of the Royal British Legion, next Monday is armed forces day, and on Tuesday 120 soldiers from 16th Air Assault Brigade will march through the Carriage Gates into Parliament to welcome them back from Afghanistan. Can we tell them, or will the Prime Minister repeat his assurance, that the armed forces covenant will now be written into law, for the first time in history?

The Prime Minister: Yes, I can give that assurance, and I am delighted that the Government and the Royal British Legion have agreed the approach we will take in the Armed Forces Bill, which is passing through the House. I am very glad that the House of Commons will be welcoming those soldiers from 16th Air Assault Brigade. Like the rest of our armed forces, they are the bravest of the brave and the best of the best. We cannot do too much for those people; that is why the armed forces covenant matters, and that is also why we kept our promise to double the operational allowance to soldiers serving in Afghanistan and other theatres.

Q7. [59600] **Mark Lazarowicz** (Edinburgh North and Leith) (Lab/Co-op): Millions of our constituents are once more facing big increases in their gas and electricity bills. Many will find it very difficult to make ends meet. What action will the Government take to help them?

The Prime Minister: We are taking a range of actions. Obviously, the fact that oil now costs $115 a barrel and gas prices have gone up by 50% over the last year has an

impact, but we are putting £250 million into the warm home discount. We are funding a more targeted Warm Front scheme that will help 47,000 families this year. We are legislating so that social tariffs have to offer the best prices available. We are keeping a promise we made that Post Office card account holders should get a discount. We are keeping the winter fuel payment, and of course we permanently increased the cold weather payments. We did not just allow them to be increased in an election year; we are keeping those higher payments, which are very valuable to many of the hon. Gentleman's constituents.

Q8. [59601] **Jeremy Lefroy** (Stafford) (Con): Last week my hon. Friend the Member for Stone (Mr Cash) and I visited Walton Hall special school near Stafford. In our meetings, parents expressed their gratitude for the excellent teaching, but also their anxiety over provision for their children after the age of 19. I know of my right hon. Friend's deep concern about this subject, so what encouragement can he give them?

The Prime Minister: First of all, we must support special schools. The pendulum swung too far against special education and in favour of inclusion. It is important that we give parents and carers proper choices between mainstream and special education. My hon. Friend raises an important point, which is that when disabled children become young adults, many parents want them to go on studying in further education colleges and elsewhere, yet currently the rules seem to suggest that once they have finished a course, that is it. Parents say to me, "What are we going to do now?" We have to find a better answer for parents whose much-loved children are living for much longer; they want them to have a purposeful and full life.

Q9. [59602] **Huw Irranca-Davies** (Ogmore) (Lab): In the face of crippling energy price rises that are driving pensioners and vulnerable families into fuel poverty by the thousand every day under this coalition, is the Prime Minister struggling with his energy bill—or are any of the 21 other millionaires in his Cabinet struggling with their energy bills? When will he personally take a grip of the situation?

The Prime Minister: From reading the papers this week, the people who seem to be coining it are the ones who worked for the previous Government—but there we are. Clearly, fuel prices have gone up because of what has happened to world oil and gas prices, but this Government take seriously their responsibilities to try to help families. That is why we have frozen council tax, that is why we are lifting 1 million people out of tax, and that is why we have introduced the set of measures that I have described to try to help with energy bills. We have also managed to cut petrol tax this year, paid for by the additional tax on the North sea oil industry. I notice that although the Opposition want to support the petrol price tax, they do not support the increase in North sea oil tax. That is absolutely typical of a totally opportunistic Opposition.

Mr Adrian Sanders (Torbay) (LD): The Prime Minister will be aware that this is national diabetes week. This year's theme is "Let's talk diabetes", to encourage people with the condition to speak out and not to feel stigmatised or worried about being discriminated against or joked about in school or in the workplace. Will the Prime Minister please support this campaign?

The Prime Minister: I will certainly support the campaign. My hon. Friend makes the extremely good point that many people with diabetes find the illness embarrassing and something that they do not want to talk about, yet it affects more and more people. We have to find a way to encourage people to come forward and say that there is nothing abnormal or wrong about it. We need to help people to manage their diabetes, especially because we want them to have control over their health care and to spend less time in hospital, if at all possible. I fully support the campaign, and I think that we need to look at the long-term costs of people getting diabetes and recognise that there is a big public health agenda, particularly around things such as exercise, that we need to get hold of.

Q10. [59603] **Fiona O'Donnell** (East Lothian) (Lab): The Prime Minister will know that this is my first opportunity to ask him a question. I stand here fresh and full of hope, so I shall give him one more chance to answer this question. People in my constituency and throughout the country face the enormous increases in their energy bills announced by Scottish Power. They need help now. When will the Prime Minister keep the promise that he made in opposition to take tough action on excessive energy prices?

The Prime Minister: As I said some moments ago, we are taking action. There is only a certain amount that can be done when fuel prices have gone up by as much as they have over the past year—a 50% increase in oil and gas. We do have the warm home discount and the Warm Front scheme. We are making sure that when there are special tariffs, companies must offer them to users; that makes a difference. There is also the point about Post Office card account holders. At present they do not get all the discounts available to people who pay by direct debit, but we are ensuring that they will get those discounts. The hon. Lady shakes her head, but that is a lot more done in one year than the previous Government did in 13.

Jessica Lee (Erewash) (Con): Will my right hon. Friend congratulate Cluny Lace in Ilkeston, which made part of the lace on the Duchess of Cambridge's wedding dress? It is the last traditional lace factory in Erewash, and our town centres have declined in recent years as a result of the loss of such factories. Does my right hon. Friend therefore agree that the review by Mary Portas aimed at revitalising our town centres has come at a perfect time? May I invite the Prime Minister and Ms Portas to visit Erewash as part of the review?

The Prime Minister: I shall be delighted to come to my hon. Friend's constituency. I did not know that her constituents were responsible for the lace on the Duchess's incredible dress, so I shall leave today's session enriched by that knowledge. We want a growth in manufacturing and production in Britain. What we are seeing in our economy—difficult as the months ahead inevitably will be—is a growth of things made in Britain, whether that means cars, vans, or indeed lace for people's dresses.

Q11. [59604] **Mike Gapes** (Ilford South) (Lab/Co-op): The United States Secretary of Defence, Robert Gates, has said that the NATO operation in Libya has exposed serious capability gaps. The First Sea Lord, Admiral—*[Interruption.]* The First Sea Lord, Admiral Mark Stanhope, has said that the operations in Libya cannot be sustained for longer than three months without serious cuts elsewhere. Given those problems—*[Interruption.]*

Mr Speaker: Order. No help from Government Back Benchers is required. A quick sentence from the hon. Gentleman.

Mike Gapes: Is it not time that the Prime Minister reopened the defence review and did yet another U-turn on his failed policies?

The Prime Minister: He is called Mark Stanhope, if that helps.

I had a meeting with the First Sea Lord yesterday at which he agreed that we can sustain the mission for as long as we need to, and those were exactly the words that the Chief of the Defence Staff used yesterday, because we are doing the right thing. I want one simple message to go out from every part of the Government, and indeed from every part of the House of Commons: time is on our side. We have NATO, the United Nations and the Arab League. We have right on our side. The pressure is building militarily, diplomatically and politically, and time is running out for Gaddafi.

On the defence review, I would simply say that for 10 years the Labour party did not have a defence review, but now it wants two in a row. At the end of the review we have the fourth highest defence budget of any country in the world. We have superb armed forces who are superbly equipped, and they are doing a great job in the skies above Libya.

Mark Pritchard (The Wrekin) (Con): By the time Prime Minister's questions finishes, 450 children will have died from preventable disease and famine. Is it not the case that increasing Britain's aid budget is very much the right thing to do, and will save millions of lives across the world?

The Prime Minister: I very much welcome the support from my hon. Friend for the policy of increasing our aid budget and meeting the target of 0.7% of gross national income. There are good reasons for doing this. First, we are keeping a promise to the poorest people of the poorest countries of the world, and we are saving lives. Yes, of course things are difficult at home, but we should keep that promise even in the midst of difficulties. Secondly, we are making sure that our aid budget is spent very specifically on things like vaccinations for children that will save lives, so the money that we announced this week will mean a child vaccinated every two seconds and a life saved every two minutes. The last point that I would make to anyone who has doubts about this issue is that as well as saving lives, it is also about Britain standing for something in the world and standing up for something in the world—the importance of having a strong aid budget, saving lives and mending broken countries, as well as having—

Mr Speaker: I am extremely grateful to the Prime Minister. I call Jack Dromey.

Q12. [59605] **Jack Dromey** (Birmingham, Erdington) (Lab): In this carers week, when we celebrate the contribution of Birmingham's care assistants and the loving families who look after their loved ones, will the Prime Minister join me in condemning Birmingham city council for cutting care for 4,100 of the most vulnerable in our city, branded unlawful by the High Court? What does he intend to do to ensure that never again will Birmingham city council fail the elderly and the disabled?

The Prime Minister: Everyone in the House should welcome the fact that it is carers week. I will be having a reception in No. 10 tonight to celebrate carers week with many people who take part and who are carers. This Government are putting in £400 million to give carers more breaks and £800 million specifically to make sure that those looking after disabled children get regular breaks. What we have in Birmingham is an excellent Conservative and Liberal Democrat alliance doing a very good job recovering from the complete mess that Labour made of that city for decade after decade.

Mr Lee Scott (Ilford North) (Con): Last night on Channel 4 there was a documentary called "Sri Lanka's Killing Fields", showing the atrocities committed by the Sri Lankan Government against the Tamil people, which resulted in about 40,000 people being killed. Will the Prime Minister join me in calling for justice for the Tamil people, and for the people who lost their lives?

The Prime Minister: I did not see the documentary, but I understand it was an extremely powerful programme. It refers to some very worrying events that are alleged to have taken place towards the end of that campaign. The Government, along with other Governments, have said that the Sri Lankan Government needs that to be investigated, and the UN needs it to be investigated. We need to make sure that we get to the bottom of what happened, and that lessons are learned.

Q13. [59606] **Eric Joyce** (Falkirk) (Lab): The Prime Minister will be aware of the shambles of corporate governance that is the Eurasian Natural Resources Corporation. I would not expect him to comment specifically on that, but does he agree, on behalf of millions of pensionholders and small shareholders across the country, that high standards of corporate governance in the City of London are critical, as is the role of the Financial Reporting Council?

The Prime Minister: I am aware of the problem. The hon. Gentleman makes an important point, which is that of course we want companies to come to London to access capital and float on the main market or the AIM market. It is one of the attractions of Britain that we are an open global economy, but when those companies come, they must understand that we have rules of corporate governance that are there for a reason, and they need to obey those rules. I am sure my right hon. Friend the Chancellor will address that not only in his speech tonight, but in the papers that we will be publishing in subsequent days.

Gordon Birtwistle (Burnley) (LD): Does the Prime Minister agree that if the coalition Government had not adopted the economic policy that they did, but listened to the advice of the shadow Chancellor instead, mortgage interest rates could be 5% higher than they are now?

The Prime Minister: My hon. Friend makes a very important point, which is that in this country today, tragically, we still have Greek levels of Government debt but German levels of interest rates. That is an enormous monetary boost to our economy, and we should all welcome the cut in unemployment today. If we had not taken action on the deficit and proved to the markets that we had a way of paying back the debt and the deficit, we would be straight back in the mess that that lot left us in.

Humanitarian Emergency Response Review

12.35 pm

The Secretary of State for International Development (Mr Andrew Mitchell): *rose—*

Mr Speaker: I appeal, as always on these occasions, to hon. and right hon. Members leaving the Chamber to do so quickly and quietly so that those remaining can listen uninterrupted to the Secretary of State's statement.

Mr Mitchell: I should like to make a statement on the Government's response, which I will publish in detail online later today, to the humanitarian and emergency response review carried out by Lord Ashdown of Norton-sub-Hamdon.

The Ashdown report is a deeply impressive document. It makes a compelling, clear and powerful case for reform. The Government agree with and endorse the review's central thesis and will accept the vast majority of its specific recommendations. Indeed, in many areas we will go beyond its specific recommendations in order to drive faster improvement in the international response to disasters. I am extremely grateful to Lord Ashdown and his team for the work they have done to produce such a compelling and well-argued review. His formidable insight and experience shine through it. I am also grateful to all those who have taken the time and trouble to respond to the consultation and whose experience has added to the quality of the recommendations.

I pay tribute today to those Brits around the world who are working tirelessly in extreme circumstances to save lives during humanitarian crises. Their work, which is often unsung and undertaken at real personal risk, is truly heroic. I also pay tribute to the role of the British armed forces in responding to humanitarian emergencies. In Pakistan last year our armed forces provided swift and effective relief, flying in emergency bridges to reconnect families separated by the floods. In Haiti they brought life-saving equipment and supplies to those stricken by the earthquake.

The report sets a challenging agenda for the 21st century. It recognises that, although disasters are nothing new, we are experiencing a sudden increase in their intensity and frequency. It makes it clear that this trend will only grow with climate change, population growth and greater urbanisation. The review concluded that the Department for International Development has played a strong role in improving the quality of the wider international response. It is an area where Britain is well respected and well regarded, but there is no room for complacency, which is why I commissioned the review and why the Government will take action to implement it.

In the Government's response to the review, I have set out how, in collaboration with others, we will rise to the challenges presented and how we will do even more to help people stricken by disasters and emergencies. There are some fundamental principles that will guide our response to humanitarian emergencies. First, we will continue to apply the core principles of humanity, impartiality and neutrality to all Government humanitarian action. Secondly, we will respect, and promote respect for, international humanitarian law. Thirdly, and crucially, we will be motivated not by political, security or economic objectives, but by need and need alone.

We will deliver humanitarian assistance in three main ways. We will provide predictable support for our multilateral humanitarian partners, including the International Red Cross and Red Crescent Movement and the United Nations. In humanitarian emergencies, where there is compelling and overwhelming need, we will provide additional resources to the international system, Governments, charities and non-governmental organisations. We will intervene directly where the UK can contribute in ways that others cannot or where there is substantial public interest in our doing so.

Let me turn to the detail of our response. Lord Ashdown's report identifies seven specific themes: resilience, anticipation, leadership, innovation, accountability, partnership and humanitarian space. I will address each in turn. It is not enough for us simply to pick up the pieces once a disaster has struck. We need to help vulnerable communities to prepare for disasters and to become more resilient. That is where we can have most impact and where we can prevent lives from being lost. More resilient communities and countries will also recover faster from disaster. I commit DFID therefore to build resilience into all its country programmes.

We must anticipate and be prepared for disasters. We will work with Governments and the international system to become better at understanding where climate change, seismic activity, seasonal fluctuations and conflict will lead to humanitarian disasters. With others, we will set up a global risk register of those countries most at risk, so that the international effort can be more focused.

The review calls for stronger leadership by the international community. We strongly agree that the United Nations must be central to this, and I am extremely pleased that, under the leadership of the emergency relief co-ordinator, Baroness Amos, the UN has already made that a priority. Britain will specifically back her agenda for change, but I accept that significant challenges remain. Members from all parts of the House need only look back to the Haiti earthquake or the Pakistan floods to see examples of the United Nations failing to deliver the leadership that was badly needed, so we will work with other donors for much needed reforms.

The review highlights the role that innovation and science can play in every aspect of humanitarian response. We will establish an innovations team to embed humanitarian research and innovation in our core work.

We must always be accountable for and transparent about how we spend our development budget. It is taxpayers' money. That duty of accountability extends not only to British citizens and taxpayers, but to those who depend upon our aid. We will therefore make accountability central to our humanitarian work and do more to measure our own impact and that of our partners.

Rarely is partnership more important than in the delivery of humanitarian aid. The strength and quality of that co-ordination can make the difference between life and death. We must therefore strive to develop stronger alliances, particularly with new donors, including the Gulf states, China and Brazil. We must improve the quality of our relationships with other key bilateral donors, making sure that our efforts are better co-ordinated and the burden of responsibility shared. I also want to involve fully charities, NGOs, faith groups, the diaspora and the private sector in our emergency response work.

The review calls for the protection and expansion of humanitarian space, including for people brutally affected by armed conflict. That is crucial to our aim of protecting civilians in conflict situations. We must make a consolidated effort throughout the Government, using all diplomatic, legal, humanitarian and military tools, to secure unfettered and immediate access for humanitarian relief wherever we can.

We recognise that to deliver this ambitious agenda, it is right that we change the way in which we fund the system, making it more effective and efficient, particularly in the first hours of an emergency. I have looked at the performance and efficiency that different humanitarian agencies offer. Many offer good value for money and have a sound track record in delivering results, saving lives and reducing suffering in some of the world's most difficult places. Some, however, do not. I am therefore outlining today increased core support for the best performing humanitarian multilaterals. I have also commissioned detailed work to design a new facility that will enable prequalified charities and NGOs to respond to crises within the first 72 hours, and to design a new mechanism to support the strongest performing British charities to improve the timeliness and quality of responses to humanitarian causes. The Government will consult further on the details of those two instruments.

This country is a world leader in responding to humanitarian emergencies. By implementing Lord Ashdown's recommendations, and by working alongside new partners, the private sector and other countries' Governments, we can be even better. I want this House and this country to be proud of our efforts, knowing that we in Britain will be there when the disaster strikes.

Let me end with the words of a survivor of a cyclone in Haiti:

"The water started to rise, and it did not stop...the water was already so high and strong that I could not hold on to one of my children and the water swept her away. Luckily someone was there to grab her."

I commend this statement to the House.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I thank the Secretary of State for his statement and for advance sight of the Government's response to Lord Ashdown's report. May I advise the House that I am responding today because my right hon. and learned Friend the shadow Secretary of State is currently visiting Sierra Leone? We welcome Lord Ashdown's important report. I pay tribute to him and to those who worked with him to produce an impressive and excellent set of proposals.

Over the past year, in Pakistan, Haiti, Chile, Japan, New Zealand and Indonesia, we have seen the terrible destruction caused by a range of natural disasters. In Libya and Ivory Coast, we have seen how humanitarian crises can develop incredibly rapidly, threatening the lives and livelihoods of thousands of people. Lord Ashdown's report reminds us that the number of humanitarian crises is likely to increase, and we must be ready to respond rapidly and effectively. We welcome the report's emphasis on working through multilateral organisations. Does the Secretary of State agree that working multilaterally is generally the best way to ensure greater co-ordination and coherence in response to disaster and to prevent it?

The report recognises that DFID has been widely praised for its leading role in the international humanitarian community. The Secretary of State will know that since 2005 the Department has been one of the leading voices in calling for reforms in the international humanitarian system. We welcome the fact that the Government's response recognises the need to strengthen international leadership, but what specific steps will he take to bring about that change? Will the Government take the lead in initiating a new round of high-level talks at the UN to push for greater reform, as the Labour Government did back in 2005? Why have the Government rejected a recommendation in the report to encourage the convening of a UN high-level panel to look at ways of improving the international system to face future challenges?

Our efforts in government also led to an expansion of the important central emergency response fund, and the report says that the fund should be expanded further. We welcome the extra $40 million that the Government announced for the fund in December last year, but can the Secretary of State tell us what the UK is doing to push other donor countries to make a similar substantial contribution? Does he agree that, as well as improvements in its response to disaster, the international community must do more to help to prevent and predict disasters, as Lord Ashdown's report underlines?

As we have recently seen in Libya, gaining access to deliver humanitarian relief can be extremely difficult. I pay tribute to the many organisations, such as the International Committee of the Red Cross, Islamic Relief, World Vision and Save the Children, which are often the first to reach those who need help. Will the Secretary of State assure us that he will do all he can to ensure that aid workers can operate in safety and that aid is delivered in a way that ensures its neutrality and impartiality?

DFID is indeed rightly recognised around the world for its leadership in responding at times of crisis, and I pay tribute to its expert staff. Does the Secretary of State agree that in anticipating and responding to humanitarian emergencies, it is essential to have expert and skilled people? As DFID is reducing its administration budget by a third, can he assure us the necessary investment in humanitarian skills will be made given the scale of such cuts?

Lord Ashdown's report recognises that the international humanitarian system is poorly equipped to ensure an equitable response for the most vulnerable—for example, women, children, the elderly and people with disabilities. I welcome what the Secretary of State said in that regard and what the Government say in response to the full report. Will he assure us, however, that the Government will ensure that across the areas identified in the report, women in particular will be fully involved in the response to disaster, wherever it occurs?

Lord Ashdown's report underlines the important role that diaspora communities play in responding to disaster, both through remittances and by raising awareness. I am glad that the Secretary of State recognised that in his statement. Can he give us more information on what he will do to ensure that there is greater recognition of the money that hard-working people in people in the UK send home to help people in the developing world?

[Mark Lazarowicz]

The Ashdown report is an important step forward. Labour provided a strong lead on this issue in government, which produced real reform, but we know that there is much more to do. As Lord Ashdown said, humanitarian work

"cannot be the sticking plaster for a lack of political action",

but it can make an important contribution to alleviating suffering around the world. Today's welcome words need to be transferred into concrete action to ensure that in times of crisis our aid helps those who need it most.

Mr Mitchell: I thank the hon. Gentleman for his welcome and for his words about the team who constructed the Ashdown report under Lord Ashdown, and about the response from my team, particularly those in DFID's conflict, humanitarian and security department.

The hon. Gentleman is right that there is a huge amount of common ground on this matter. In opposition, we long realised that there was a necessity not to be complacent, but to accept that we could do some things better. That is why my right hon. Friend the present Prime Minister, some two years before the election, called for a report such as this, and why we have carried it out.

The hon. Gentleman was right to underline that all serious research suggests that the number of disasters will increase by as much as 50% over the next 15 years. That adds additional urgency to the work that we are doing. He was right to make it clear that the right way to lead in these disasters is through the multilateral system. That is why we are determined to play our part in making that system better. The cluster system that operates within it, in which Britain takes a leading role, is the right approach and we will do everything we can to see that it improves.

The central emergency response fund was set up by the right hon. Member for Leeds Central (Hilary Benn), who is sitting alongside the hon. Member for Edinburgh North and Leith (Mark Lazarowicz), and we supported it strongly in opposition. We think that it works extremely well and that it provides additional and immediate money in the event of a disaster. That is why we have significantly increased resources to the CERF. The additional fund that I announced today for help in the first 72 hours from pre-qualified charities and NGOs will enable us to carry on the principle of that work in, I believe, a more effective way.

The hon. Gentleman was right to make the point that building in resilience from day one is vital in all the work we do, and that is now happening. He was equally correct about the importance of gaining access for humanitarian relief, which we have called for consistently in Libya and will continue to call for in Syria and South Kordofan in Sudan. He was right that women should always be involved in such work. The role of women as people who suffer from humanitarian disasters on the front line is well understood. We give that issue our strong support through this work.

I agree with the hon. Gentleman's point about remittancing and that there must be transparency in all that we do. As he pointed out, the money that we spend is taxpayers' money. We are committed to recognising that. That is why we published the transparency guarantee early in the lifetime of the Government. When taxpayers' money was used to alleviate the results of the floods in Pakistan last year, we had a floods monitor online so that people could see how hard-earned British taxpayers' money was being spent and what relief it was securing.

In respect of these proposals, I believe that the International Development Committee has announced that it will consider in about a year's time whether we have enacted what we have said we will do.

Malcolm Bruce (Gordon) (LD): I thank the Secretary of State for his statement and Lord Ashdown for his excellent report. On behalf of the International Development Committee, I thank Lord Ashdown for his active engagement with us on two separate occasions when we were preparing our report on the Pakistan floods. I note that the Secretary of State said that he will publish more detail than he could put in the statement on the steps that are being taken to improve the UK response.

Will the Secretary of State say what role the UK can play in getting UN leadership, not least to ensure that in the most vulnerable countries the UN co-ordinator has both the competence and the line-management authority to execute effective rescue operations? He spoke about the co-ordination of NGOs and lead NGOs. Will he ensure that that is not just a UK response, but that such co-ordination will happen internationally so that NGOs do not get in each other's way and have the opposite effect to helping in the disaster?

Mr Mitchell: My right hon. Friend is entirely right about those dangers, which he and his Select Committee have identified in their work, not least on the crisis in Haiti and the international response to it, particularly in the early hours.

On co-ordination, I did not answer the question from the hon. Member for Edinburgh North and Leith (Mark Lazarowicz) about the high-level panel. It is important to make it clear that Baroness Amos is leading an effective reform programme as the emergency relief co-ordinator. We back her strongly in that role, as do the heads of the UN agencies. I continue to talk to her and others at the UN about the findings of the multilateral aid review and the humanitarian emergency response review. That is the right way to take this agenda forward, so let us see how we get on with that.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I thank the Secretary of State for his statement and Lord Ashdown for a comprehensive report. On partnership, does the Secretary of State agree with Lord Ashdown's very strong view that we should consult those who receive aid, civil society in developing countries, and NGOs in areas where there is an established need, because those are the people on the ground who are best placed to tell us what is going on?

Mr Mitchell: The right hon. Gentleman is extremely experienced in these matters and he is absolutely right. I am grateful for his comments about the Ashdown report. The issue of partnership, which Lord Ashdown identifies so clearly, and the issue of accountability are at the forefront of what we seek to do. For example, when we published the multilateral aid review, we did not keep it

as an internal document, but put it online. We invited those we were assessing to comment on what we said and the recipients of the money to hold us to account. We will continue to do that. The right hon. Gentleman is right to say that in the poorest parts of the world, understanding the effect of what we do on those we are seeking to help is vital to making the whole operation more effective.

Mr Gary Streeter (South West Devon) (Con): I welcome this report and the Government's response to it. Will the Secretary of State confirm that he sees a significant role in the reshaped British humanitarian response to disasters for small, niche charities, such as the west country-based ShelterBox, which are often the first on the scene with important life-saving equipment such as tents, cooking facilities and water? I am sure that he does.

Mr Mitchell: My hon. Friend is right about the absolute priority that the Government place on supporting such smaller charities. Many Members on both sides of the House will have seen them doing brilliant work overseas. There are a number of mechanisms through which they are supported. There is, of course, the global poverty action fund, which will have a fresh round for NGOs and charities in a month or two. ShelterBox, which my hon. Friend mentioned, will be known to many Members. It does a brilliant job and we support it strongly.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I welcome the Secretary of State's words today, in particular his praise for the contribution of British NGOs in responding to humanitarian disasters. I appreciate his continuing support for the central role of the UN, in particular the agency that Valerie Amos leads so well. I gently point out to him that it was disappointing that no British Minister attended the CERF annual meeting in December. Given that America and France, two of our leading allies in the development debate, do not contribute to the CERF, will he set out how his leadership on this issue will lead to the topic being placed on the agendas of the G8, European Development Ministers and perhaps a No. 10 summit, so that there is more investment in the CERF to help the UN give the leadership it so desperately needs to give?

Mr Mitchell: The hon. Gentleman will understand that we consider attendance at such meetings on the basis of need. We consider whether our attendance or our work in advance of a meeting will have the most effect. I and my ministerial colleagues travel ferociously in pursuit of this agenda. We have contributed in a large number of ways to the shape of the international community's handling of humanitarian emergencies. The multilateral aid review played a significant part in that and the Ashdown review has played an enormous part in it. The Ashdown review is being read avidly by most of those who are engaged in this important work. For the future, we will consider, as we always do, what is the most effective way in which Britain can intervene to ensure the overall effectiveness of this vital work.

Nadine Dorries (Mid Bedfordshire) (Con): The UN has been notoriously slow and unco-ordinated in the past in responding to certain disasters, as a result of the poor leadership that has been identified. Notwithstanding the report on the agenda for change by Baroness Amos, will the Secretary of State assure us that his Department will relentlessly keep up the pressure on the UN? The next disaster, God forbid, may come tomorrow, and we need to know that the UN is fit for purpose today.

Mr Mitchell: My hon. Friend is absolutely right to make that point. It is the quality of local leadership on the ground that determines how quickly we can respond. Inevitably, although the UN actors on the ground are extremely good at what they do in normal times, they are sometimes not the right people to respond to disasters. That is why it is essential to get people there who can provide the necessary quality of leadership. For example, it was very interesting that the presence of John Ging, the No. 2 to Valerie Amos, in Libya very shortly after the conflict started led to an immediate response of a much better quality than we had previously seen.

Jon Ashworth (Leicester South) (Lab): Many communities in my constituency—particularly those from Pakistan and Bangladesh, although I could name many others—have a commendable record of contributing to relief when humanitarian disaster strikes. Given that, will the Secretary of State give us some more details of how he expects to involve diaspora communities in emergency relief work and ensure that their expertise is taken advantage of?

Mr Mitchell: It depends on the disaster, but the hon. Gentleman is entirely correct to point to the valuable work that diaspora communities do. In the case of the Pakistan floods last year, the Pakistani diaspora, not least in the midlands, made a tremendous contribution not only financially but through a number of different charities to which it gave strong support, not least Islamic Relief. That meant that it played a vital part in the overall British relief effort that was mobilised.

Mr Julian Brazier (Canterbury) (Con): I welcome this excellent report and the Government's response to it. Does my right hon. Friend agree that many of the most deprived and threatened people are those in war zones? Does he further agree that the inter-agency working that he stressed so heavily, bringing together diplomatic, military and aid effort and the best of the non-governmental organisations, is in the very best interests of the criterion of need, and does not compromise it, as has occasionally been suggested?

Mr Mitchell: My hon. Friend makes an extremely good point. Of course, people who live in conflict areas lose out twice over, first because they are very poor and secondly because they are permanently frightened by the conflict that is going on around them. That is why the coalition Government have made an absolute priority of doing much more in conflicted areas to bring help to people who are doubly cursed in that way. He is also right to point out that although humanitarian relief should always be circumstance-blind and help those who are in great need, proper co-ordination among all those who can help is essential.

Ann Clwyd (Cynon Valley) (Lab): As the Secretary of State knows, there is a continuing argument in the development community about whether it is appropriate

[Ann Clwyd]

for the military to deliver humanitarian aid. I should like to pay my own tribute to the British armed forces, whom I have seen in many parts of the world delivering humanitarian aid to people who would have died if they had not been there at the appropriate time.

Mr Mitchell: The right hon. Lady makes a truly excellent point. Like her, I have seen how the military have delivered to desperate people at times of great need. We saw it, indeed, in Pakistan last year. We have not needed military support to deliver aid in Libya so far, although the military have been willing to provide it. I have discussed the matter frequently with Valerie Amos, who takes a sensible and pragmatic view in the interests, which we all serve, of trying to get aid and support through to people who are in great need.

Mr Peter Bone (Wellingborough) (Con): I welcome the excellent Secretary of State's statement. One problem appears to be the loss of life in the early hours of a disaster. We have seen emergency response teams ready to go from this country but being stopped because they do not have clearance to land in the areas affected. What can be done about that problem?

Mr Mitchell: I think my hon. Friend is referring to a particular incident involving a Scottish charity. I have looked at that incident in detail, and I am happy that what he says about it is not actually correct. However, it is extremely important that there should be really good co-ordination. We should not have the situation that we saw all too frequently in Haiti, which was a huge number of people heading towards a disaster target without the co-ordination to ensure that they could be effective on the ground.

Anas Sarwar (Glasgow Central) (Lab): May I add my own voice to the welcome for the report of the noble Lord Ashdown and the Government's response to it? As part of its inquiry into the humanitarian response to the Pakistan floods, the International Development Committee found that some eight months after the disaster, and with millions still in need of assistance, only one third of the $2 billion UN appeal funds had been disbursed in Pakistan. The noble Lord's report states that that was disappointing, maybe even inadequate, and adds that it cost money, opportunities and perhaps even lives. What leadership will the Government show at UN level to ensure that that does not happen again?

Mr Mitchell: The hon. Gentleman identifies one of the problems with the relief effort that the international community mounted in Pakistan. Indeed, the Select Committee on which he serves has produced a most valuable report, from which the international system will learn relevant lessons. I think it would be fair to say that Britain was concerned, we were the first country to come in great scale to give strong support to the people of Pakistan in their hours of greatest need. Britain also continually pushed and prodded the international system to up its game. That was what we did at the time, and those are also the tactics that we are using now. The report will be helpful in achieving them.

Martin Horwood (Cheltenham) (LD): I welcome the Secretary of State's positive response to my noble Friend's report. Together with the Government's pledge to fulfil the 40-year-old promise to spend 0.7% of our national income on development assistance, including the outstanding promise to the Global Alliance for Vaccines and Immunisation, that puts us in a potentially world-leading position in international development and humanitarian assistance. Will he reassure us, though, that the pre-qualification process that he described will not inadvertently disadvantage the smaller local NGOs that are obviously on the ground first and, as the review makes clear, often do an excellent job at very low cost?

Mr Mitchell: My hon. Friend makes a good point. We are going to consult about the pre-qualification process, to ensure that that does not happen. The fund will be there to help those who are already on the ground, so that in the first 72 hours, when action is critical for reasons that the House will acknowledge, we can ensure that money is not a barrier to immediate and effective action. I therefore think I can reassure him on that point.

The GAVI pledging conference that took place yesterday will have a direct effect on disaster relief, because it will prevent children from getting sick. We should all be enormously proud of the leadership of Britain and the Prime Minister. As a result of the replenishment conference exceeding its target yesterday by some $600 million, we will be able to vaccinate more than a quarter of a billion children over the next five years in the poorest parts of the world and save nearly 5 million lives.

Mark Durkan (Foyle) (SDLP): I welcome the Secretary of State's thinking on a standing faculty for emergency response, including NGOs. Will he assure us that there will be no tension in practice between the follow-through on the Ashdown review and the follow-through on the previous DFID reviews, which put particular emphasis on buying results? The Ashdown review particularly emphasises resilience, innovation and science, and humanitarian space in areas of conflict, the benefits of which are not always as quantifiable as those of some other measures. Will the Secretary of State ensure that the Ashdown recommendations are not casualties of the results-buying emphasis of previous reviews?

Mr Mitchell: All three reviews to which the hon. Gentleman refers focus directly on the results that we are achieving, not only in delivering real value for money to British taxpayers, whose money we are deploying, but for those whom we are trying to help. Whereas the Ashdown review was a review given to the Government, to which I am responding today, the first two were reviews by the Government. If the hon. Gentleman looks carefully at all three, he will find that they are seamlessly joined by the common interest of ensuring that international development work from Britain is more effective and buys yet greater results.

Bob Stewart (Beckenham) (Con): I cannot think of anyone better than Lord Ashdown to have produced such a report, and I congratulate the Secretary of State on commissioning it. The real lead on humanitarian responses is, properly, the United Nations. We have a first-class person for emergency co-ordination in the UN, in Baroness Amos. However, above her in the UN

is the Security Council, which too often makes decisions at the speed of a striking slug. Is there any way in which we, as a permanent member of the Security Council, can encourage other members and ourselves to make a special case for emergency responses, so that we are not constrained by the requirements of veto, unanimity or majority voting?

Mr Mitchell: My hon. Friend, who knows a great deal about these issues, tempts me to stray beyond my areas of competence. However, I can tell him that the Foreign Secretary has been ceaselessly engaged over the last week in precisely that way in respect of a new resolution on Syria.

I am conscious of my hon. Friend's point, and I agree that it was absolutely right to appoint Lord Ashdown, whose peculiar combination of talent and experience has led to this extremely good, wise and sensible report. I also agree with my hon. Friend that it is important to prioritise the UN, and to understand that at the end of the day, only the UN can be the chief co-ordinator. The UN is essential if we are to have an effective response on the ground.

Mr Speaker: We are grateful to the Secretary of State—there clearly isn't a dry eye in the House.

Katy Clark (North Ayrshire and Arran) (Lab): The Secretary of State says that he wishes to put women and girls at the heart of his development policy. He will be aware that violence against women and girls is a feature in such crises. How do we deal with that problem better?

Mr Mitchell: It is an absolute priority of the Government to try to stop violence against women—we have some 15 country programmes for which that is an absolute priority. I attended the Home Secretary's meeting of Ministers yesterday on that very subject, and spoke about the international dimension of it. The hon. Lady may rest assured that it remains right at the top of our agenda. Of course, women and girls suffer most in such crises. We have provided protection for children and displaced women, not least in respect of the Ivory Coast-Liberian border, on which my hon. Friend the Under-Secretary of State leads. That is the most important aspect of the work that we do there.

Laura Sandys (South Thanet) (Con): I welcome both the Ashdown report and the Government response. DFID is a world-class organisation with a world-class reputation.

It is particularly important to focus on anticipation. The risk register is a great addition to the tools that DFID can use. On that basis, will we also develop strategies to mitigate that risk and that can ensure that we push and help countries to move along a pathway to reduce the risk that they face from, for example, climate change?

Mr Mitchell: My hon. Friend identifies entirely accurately one of the seven key points made by Lord Ashdown and his advisory committee in their report. Anticipating disaster and ensuring that we develop a comprehensive risk register, and working on disaster reduction, which is one thing that the Minister of State has focused on in Nepal, are essential if we are to take that agenda forward.

Keith Vaz (Leicester East) (Lab): Even though the Secretary of State has been in office for only a year, he is turning out to be outstanding at his job, supported by a very fine team of Ministers. Will he confirm that nothing in his statement will affect the Government's ability to deliver relief to the people of Yemen? It is one of the poorest countries in the world, and it is on the brink of civil war. Will he confirm that we can still help the Yemeni people?

Mr Mitchell: I thank the right hon. Gentleman for his kind remarks. We understand the importance of Yemen, which remains on a humanitarian knife edge. With the Office for the Co-ordination of Humanitarian Affairs, we are looking specifically at needs mapping within Yemen for when we can get back there. We continue to give very strong support to the agencies that conduct humanitarian relief in Yemen, and to bear in mind at all times whether we can do more to assist.

Jo Swinson (East Dunbartonshire) (LD): I warmly welcome the Ashdown report and the Government's response. May I urge the Government to take an integrated, cross-departmental approach to this that includes the Department of Energy and Climate Change, the Foreign and Commonwealth Office and the Ministry of Defence as well as DFID, in order to anticipate better how different risk factors can combine to threaten human life? For example, water shortage in a politically volatile area could trigger conflict, turning a humanitarian problem into a humanitarian disaster.

Mr Mitchell: I thank my hon. Friend for her comments, which are extremely helpful. She is right to talk about the absolute importance of integration. I can reassure her to this extent: proposals on climate change, on which we are involved in much work, come to a cross-ministerial board, which includes DECC, DFID, the Treasury and other Departments that have a direct interest. As I indicated in my statement, we will not forget the importance of strong, cross-Whitehall collaboration.

Hugh Bayley (York Central) (Lab): I welcome what the Secretary of State says about resilience and enabling countries to respond better if a crisis strikes, but does he recognise that some humanitarian crises can be avoided? If we did more work on food security and pre-positioning food stocks—in the horn of Africa, say—on climate change or on regional integration, such as by getting an upstream country to warn a downstream country when a flood is coming, we could avoid crises. Work must be done by DFID and the UN on that.

Mr Mitchell: The hon. Gentleman is entirely correct. That is why we have, for example, consistently sought to pre-position food and shelter in respect of Sudan, which until very recently has not been required. In respect of Pakistan, we are trying to ensure that we understand the monsoon pattern and whether any flooding will take place this year. The review and the Government's response rightly recognise his point on encouraging resilience and anticipation.

Rehman Chishti (Gillingham and Rainham) (Con): May I welcome the Secretary of State's statement? He will know that there was an earthquake in Nepal 70 or

[Rehman Chishti]

so years ago and that another is predicted imminently. What steps are his Department taking to plan for that and to assist if that need arises?

Mr Mitchell: My hon. Friend accurately recognises a serious threat within Nepal. That is one reason why the Minister of State has taken a close interest, including by visiting Nepal and talking to all those who are involved there about the role of disaster reduction. We take very strong account in our planning of the points that my hon. Friend rightly makes, not only in respect of Nepal, but in other areas of stress and vulnerability.

Paul Goggins (Wythenshawe and Sale East) (Lab): May I, too, welcome Lord Ashdown's report and the Secretary of State's statement? Does he agree that there are particular dangers for those involved when a humanitarian emergency results from a political crisis? He will remember the kidnapping of the head of Caritas earlier this year during the crisis in Côte d'Ivoire. Soldiers will continue to play an important role in providing humanitarian relief, but will he ensure that assistance is always given on its merits, and that it is not conditional on political strategy or military engagement?

Mr Mitchell: The right hon. Gentleman makes a good point on which I sought to be absolutely clear in my opening remarks. Humanitarian relief must be needs-based, and must not take account of such extraneous factors. That is the commitment of the British Government —it has long been a commitment of Governments of all parties, and it continues just as strongly today.

Mr Philip Hollobone (Kettering) (Con): Whenever disaster strikes, and in almost whatever form it takes, there always seems to be a shortage of helicopters. What can we do to improve international co-ordination to ensure a quicker and better helicopter lift capacity in emergency zones?

Mr Mitchell: My hon. Friend makes an extremely good point. He rightly identifies that problem as one of the critical pinch points, as it was particularly in Pakistan last summer. We are considering that and a number of similar issues, and I hope to have more to say in due course.

Mike Gapes (Ilford South) (Lab/Co-op): In his introduction, the Secretary of State said that "we will intervene directly where the UK can contribute in ways that others cannot". I welcome that, but will he clarify whether that means intervening for the sake of the responsibility to protect agenda? If so, does he agree that often humanitarian disasters occur in areas of conflict or failed states, and that we therefore have a responsibility to recognise that we must sometimes act quickly and without the agreement of the relevant Government?

Mr Mitchell: In respect of the responsibility to protect, the hon. Gentleman will know that that is a technical UN term that triggers certain other actions. The point that I was making was narrower and it was that if Britain has a unique skill or the capacity to intervene in a humanitarian situation, we should always consider whether it is right to do so. That was my point and it is narrower than the basis on which he seeks to get me to proceed.

Naomi Long (Belfast East) (Alliance): I warmly welcome both Lord Ashdown's report and the Government's response. In a humanitarian crisis, securing access to clean water and sanitation is often one of the key challenges. Does the Secretary of State agree that it is hugely important that engineering charities such as RedR and WaterAid are given the support they need to provide technical assistance in an emergency and upskill local people to make that sustainable?

Mr Mitchell: The hon. Lady makes a very good point. She identifies two of Britain's brilliant NGOs, RedR and WaterAid, which both do such good work in some of the most challenging places anywhere in the world. She also identifies the importance of clean water and sanitation. Britain is doing this in terms of steady state development, with a commitment to get more clean water and sanitation to people in the poor world than the total population of Scotland, Wales and Northern Ireland, and in terms of our work through the cluster system, giving strong support on water and sanitation, not least to Oxfam. That is an absolute priority in almost all humanitarian disasters.

Emma Reynolds (Wolverhampton North East) (Lab): The objectives set out in Lord Ashdown's report will require what he calls "transformational change" across the Department to give greater prominence to the humanitarian agenda. In the Government's response, will the Secretary of State set out in more detail how he intends to bring forward that transformational change, in particular with regard to staffing and programming of DFID projects?

Mr Mitchell: The answer is that I will and I have. I commend to the hon. Lady the 35-page report, which should now be on the internet, and I urge her to have a look at it and respond if she has any additional comments—as I urge all hon. Members to do.

Jim Shannon (Strangford) (DUP): All the humanitarian aid we give for natural disasters, such as that in Pakistan, or to countries with civil unrest, such as Syria, Egypt and Sudan, is good news. However, the feedback from some of those countries is that those of a Christian faith and in evangelical Churches are at the back of the queue and ignored when it comes to humanitarian aid. What steps will the Minister take to ensure that that two-tier system of assistance will not continue to disadvantage those of that faith in those countries?

Mr Mitchell: I hear those allegations from time to time and I always ensure that they are investigated with the seriousness and rigour that such allegations obviously deserve. We have set up a working party with all the faith communities, which will commence work shortly. That will be quite a good issue for the faith communities to address and advise on. On the hon. Gentleman's specific point, we take all such matters extremely seriously and investigate them immediately.

Points of Order

1.23 pm

Eric Joyce (Falkirk) (Lab): On a point of order, Mr Speaker. I received a letter this morning before I asked the Prime Minister a question about a company called ENRC. The letter was from the solicitors Mishcon de Reya and it referred to comments that I made during an Adjournment debate on 23 May. Essentially, it accuses me of a misuse of parliamentary privilege and I ask for your advice on what, if anything, I should do next. It seems to me that if I call someone "a shady middle man"—as I did Dan Gertler, their client—because that is what I believe to be true and a justifiable comment, it is a use of parliamentary privilege rather than a misuse. The letter appears to be an attempt to constrain a Member of Parliament from expressing his views clearly and fairly in this House.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order and for notice of his intention to put it to me. My response is twofold. First, if he wishes to make a complaint about the attempted denial of his parliamentary privilege by the firm of lawyers to which he refers, he needs to write to me and I will consider that complaint in accordance with the normal procedure. Secondly, I recall clearly that I was in the Chair for that Adjournment debate on 23 May. If he had been out of order, I would have said so. I did not, because he was not.

Ian Lucas (Wrexham) (Lab): On a point of order, Mr Speaker. Earlier, I asked the Minister of State, Cabinet Office, whether he could tell me the date on which parliamentary counsel were instructed to draft amendments to the Health and Social Care Bill following the NHS Future Forum consultation. In response, the Minister of State referred me to the Health Secretary. In fact, the Minister of State is responsible for parliamentary counsel and should respond to that question. What guidance can you give on how to obtain that information as the Minister responsible did not respond to the question?

Mr Speaker: I am grateful for that point of order, of which I was unsighted. I make no complaint about that, but I simply say that I am giving an off-the-cuff response to the hon. Gentleman. Which Minister responds to a particular question put by the hon. Gentleman is a matter for the Government. I am sorry if the hon. Gentleman is disappointed by the response—or what he regards as the absence of a response—but he is an experienced and indefatigable Member who I am sure will find other ways, possibly through the Table Office, to pursue his concerns.

If there are no further points of order, we come now to the ten-minute rule Bill, for which the hon. Member for Devizes (Claire Perry) has been patiently waiting.

Remembrance Day (Bank Holiday)

Motion for leave to introduce a Bill (Standing Order No. 23)

1.26 pm

Claire Perry (Devizes) (Con): I beg to move,

That leave be given to bring in a Bill to designate the Monday after Remembrance Sunday as an annual bank holiday in the United Kingdom with effect from 2012; and for connected purposes.

This Bill would consolidate and entrench long-term public support for our armed forces. My constituency of Devizes includes many of the Salisbury plain garrison towns and is home to more than 10,000 members of the armed forces and at least the same number of service family members.

My father, both grandfathers and my great-grandfather served in the British Army. I am therefore particularly proud to wear a poppy in early November, sport various charity wristbands, attend homecomings and parades in both Westminster and Wiltshire, observe the silence at 11 am on Armistice Day, and to lay a wreath on Remembrance Sunday. Indeed, laying a wreath at the Devizes war memorial last November was one of the most solemn and thought-provoking moments of my new career as a Member of Parliament. I am also proud to support armed forces day, introduced more than two years ago and held in late June. I know that in all of this support I am joined by Members on both sides of the House and millions of people across the country.

But I fear that with all these initiatives and opportunities to show our support we have perhaps fragmented that support—diluted the brand. And many events happen at weekends when working families—as I know for myself—can face as many time pressures as they do during the week, sometimes making their participation in weekend events difficult.

I am also concerned that while we have seen a real upwelling of support for the armed forces in the last few years, due in no small part to the tireless work of the Royal British Legion, who are Britain's "custodians of remembrance", as well as the work of charities such as Help for Heroes—headquartered in my constituency—SSAFA and the Army Benevolent Fund, when our soldiers return home from their current operations it may be difficult to keep this momentum going and to ensure that we as a country deliver on our obligations under the military covenant. A day set aside in our busy calendars for remembrance, support and celebration of our armed forces would help to keep the support alive in the future.

This is not a radical suggestion. Many other countries pay tribute to their armed forces with a national holiday, including the United States, Canada, Russia, France and Israel. Indeed, among the five countries spending the most on their military budgets, only Britain and China do not have a national holiday commemorating their service personnel—but at least in China soldiers get a half-day off on army day.

With your indulgence, Mr. Speaker, I would like to take the House on a 10,000-mile trip to the southern hemisphere and consider Anzac day in New Zealand and Australia. As many Members know, I have the great good fortune to be married to a Kiwi, and it was his reminiscences of Anzac day—a national holiday in

[Claire Perry]

those countries on 25 April—that contributed to my proposal today. Many young people from down under could tell us in detail about the brutal Gallipoli campaign of the first world war; how many fought, died and were wounded; and how many and who fell from their school. Furthermore, many will have made a pilgrimage to the Dardanelles site. Do you think, Mr Speaker, that if we asked a similar cohort of British young people to name even one first world war battle, let alone the casualty numbers, we would get a similar result? I think not.

Setting aside a national day of remembrance and celebration would help us all with that collective memory. I have suggested the Monday after Remembrance day as a bank holiday. I would equally be in favour of having the holiday on Armistice day itself, but I am aware that the British Legion has concerns about diluting the long-standing tradition of the silence, and if the Bill is taken forward I would wish to work with the British Legion and other organisations to work out the best day. However, one of these historically resonant dates would be appropriate.

It is not for me to propose an additional holiday, although I know it would be popular in the country, and I am aware that it would cause concerns for businesses. However, there are clearly some anomalies in the current distribution of bank holidays. This year we have had one bank holiday in January, three in April and two in May, but there is only one more to look forward to—at the end of August—before the Christmas break. Many people think that trading one of the bank holidays—one in May, it has been suggested—for a Remembrance day holiday in November would be a reasonable swap. Members on both sides of the House support this proposal, although my hon. Friend the Member for North Wiltshire (Mr Gray) said that he would do so on the basis that the holiday be called Wootton Bassett day, which is a suggestion I am, of course, prepared to entertain—I am relaxed about the title.

The British people support the idea. In a recent YouGov poll, Remembrance day, along with St George's day, was the favoured date for an additional holiday in Great Britain. Last week I spent the day with young men and women of the British Army, many of whom were preparing to deploy to Afghanistan in the next few months. I was deeply moved by the spirit, dedication, determination and quiet courage of those young people. I would like the whole country to have an opportunity to pay tribute to them, their comrades, veterans of the services and those who have fallen, to whom we owe so much. I therefore commend the Bill to the House.

Question put and agreed to.

Ordered,

That Claire Perry, Andrew Rosindell, Bob Stewart, Mr Julian Brazier, Kwasi Kwarteng, Mr James Gray, Mr Michael McCann, Mr Dominic Raab, Chris Heaton-Harris, Charlie Elphicke, Dan Jarvis and John Glen present the Bill.

Claire Perry accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 21 October, and to be printed (Bill 203).

Welfare Reform Bill

[2ND ALLOCATED DAY]

Further consideration of Bill, as amended in the Public Bill Committee

Clause 69

ENDING OF DISCRETIONARY PAYMENTS

1.39 pm

John McDonnell (Hayes and Harlington) (Lab): I beg to move amendment 53, page 52, line 21, leave out clause 69.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss the following: amendment 39, page 52, line 22, leave out subsection (1) and insert—

'(1) Section 138(1)(b) of the Social Security Contributions and Benefits Act 1992 (discretionary payments out of Social Fund) may be repealed, if the Secretary of State—

(a) publishes a detailed proposal for a replacement scheme, or schemes, based on wide consultation with relevant stakeholders;

(b) ensures that such a scheme, or schemes, will provide financial protection for applicants in an emergency or crisis, with the eligibility criteria for applicants specified in regulations;

(c) demonstrates the feasibility of such a scheme, or schemes, through a pilot or pathfinder process; and

(d) demonstrates how an independent appeals mechanism will be implemented.'.

Amendment 40, page 52, line 24, leave out subsection (2) and insert—

'(2) In consequence of the provision in subsection (1), the office of the social fund commissioner may be abolished.'.

Amendment 54, page 128, line 28, leave out Schedule 8.

John McDonnell: Amendment 53 relates to the abolition of the social fund and addresses a number of the concerns that Members raised on Second Reading and in Committee.

The Government propose to abolish key elements of the social fund—the community care grants and the crisis loans—and to replace them with support through local authorities. The social fund, particularly the crisis loan, is critical to many Members in representing their constituents. That is the case not only in my constituency but across the country. These mechanisms support people in desperate need and at key times in their lives, and they are safety nets when people are facing essential expenditure that they cannot meet. My concern is that many organisations have made representations to the Government, Committee members and Members of the House urging that the social fund should not be abolished without robust and effective alternatives put in its place. The proposal should certainly be fully explored and tested before any change is made.

Social funds have been critical. The numbers of recipients of social funds and of applications demonstrate their importance. In 2009-10, there were 640,000 applications for community care grants, 3.64 million for crisis loans and 1.69 million for budgeting loans. Some 263,000 CCGs were awarded, 2.7 million crisis loans were awarded, and 1.2 million budgeting loans were awarded, so the expenditure was significant. They have a significant impact on individuals' lives and in tackling poverty

across the country. Some £139 million was spent on CCGs, £109 million net was spent on crisis loans, and £482 million gross on budgeting loans. This is therefore a large-scale activity that is vital to the most vulnerable and poorest members of our society. Even at this level of expenditure, however, the Public Accounts Committee concluded, having investigated CCGs, that only 32% of legitimate demand was being met.

I am extremely pleased that the Department for Work and Pensions is retaining budgeting loans and advance loans for alignment payments. However, I and many Members and voluntary organisations working in this field are unclear about what will replace the crisis loans and the CCGs. I am gravely concerned about the proposals to transfer responsibility to local authorities, which will be expected to design their own schemes for emergency support. Those responsibilities are being transferred at a time when local authority budgets are being cut. My understanding is that the funding will not be ring-fenced. In their consultation, the Government suggested that local authorities could also meet some of the demands with payments in kind—food parcels and second-hand furniture were mentioned as examples. I am also concerned that without clear guidance councils might be able unilaterally to introduce and force new conditions on those applying for emergency support.

I tabled the amendment because of the real danger that we will now be faced with numerous schemes being developed by local authorities, and that vulnerable people will lose this essential support. I am concerned that if the funding to local authorities is not ring-fenced, it will be diverted to other priorities.

Let me give the example of what happened to the playbuilder grant in my area. I chair the local play association, which I also helped to set up. When the ring fence was lifted, the Government initially sought to withdraw elements of the second year of the scheme. I am grateful that the Secretary of State for Education reinstated them and returned significant amounts to local authorities, which was a real breakthrough. However, because the money was not ring-fenced, much of it unfortunately appears to have been diverted into other areas of council expenditure, rather than going to improve play for children. That is just one example, from the most recent period, of funds that were not ring-fenced being allocated to local authorities and then spent for purposes other than those that the Government had intended. The Minister has agreed that allocations will be based on social fund spending, which will be regularly reviewed and the data updated. However, my concern is that if money is not ring-fenced in the first stages, it will be creamed off in the early years to be spent elsewhere.

Sheila Gilmore (Edinburgh East) (Lab): We in Scotland have had four years' experience of the removal of ring-fencing, supposedly to free up local authorities. I would be interested to hear my hon. Friend's comments on our experience. Now that the ring fence has been removed, it is difficult to track what is happening to funds such as the supporting people fund, which give people valuable low-level support.

John McDonnell: I hope that my hon. Friend will forgive me: I forgot about the experience in Scotland. What she describes is a classic example of what could happen. I am quite fearful, because I have been a councillor and I know about the pressures on local authorities when they expend their resources. If there are no clear guidelines or statutory duties placed on the authorities, elements of expenditure that the Government might have allocated with the best of intentions might not be spent in the way that the Government would want.

I am fearful that if people lose access to the scale of emergency support they currently draw on, their alternative will be to go to higher-cost lenders such as loan sharks, thereby falling into greater debt. Even in advance of the reforms, we have already had a number of pawnbrokers opening up in the town centre in my area, with the local citizens advice bureau reporting increased evidence of the use of loans from loan sharks. A number of organisations have expressed their concern that having numerous different local schemes could mean that we end up with—I do not like this phrase—a postcode lottery of access to life's necessities, as a result of the loans not being distributed coherently and consistently. I am also concerned that local authorities seem not to have been given any guidelines or directives about establishing an appeals mechanism. Unless an appeals mechanism is set up, claimants will not have the security of being able to challenge decisions made locally.

I would therefore urge the Government not to abolish or wind down the social fund without giving an absolutely clear commitment about what will replace it. If emergency support is to be localised, we need strong, unambiguous and extremely clear statutory duties placed on local authorities to support vulnerable people, and for those duties to be attached specifically to such funding. I urge the Government to think again about ring-fencing, so that the money cannot be diverted away from the poor. The social fund commissioner proposed that the Government consider establishing national criteria for the schemes to be drawn up by local authorities, to ensure consistency in the use of local discretion. It would still be possible to reflect local circumstances, but national parameters would be set on the use of that discretion. I am also concerned that the devolution of emergency support services might create high administrative costs—this has been mentioned by a number of organisations, including Age UK and the Disability Alliance—which might divert funds away from provision for the poorest.

George Hollingbery (Meon Valley) (Con): I am listening to the hon. Gentleman with interest. Would he like to comment on the observation made in the evidence that we received on the Public Bill Committee that the distribution of such loans nationally is very uneven in any event, despite a national body administering them? On that basis, would there not be some merit in distributing funds to local authorities on a needs basis?

1.45 pm

John McDonnell: I appreciate that argument, but there is a difference between having a national system and having a complete free-for-all at the local level. There is a midway point, which would involve the Government setting clear criteria and guidelines, backed up with statutory force, so that when the changes are introduced locally, funds are not diverted but go to people who need them, and local authorities do not face high administrative costs. What I am searching for is

[John McDonnell]

Government action to reach a compromise and achieve a balance between national distribution and local distribution, thereby avoiding a free-for-all.

Brandon Lewis (Great Yarmouth) (Con): I appreciate the hon. Gentleman's generosity in giving way, but I would query what he is describing. Would it not go against the ethos of the Localism Bill, which is about trusting authorities with the responsibility to do what is right for their areas, and trusting the electorate to keep them in check so that they do just that?

John McDonnell: I understand, and, coming from a local government background—both as a councillor and as a local government officer—I very much support the localist agenda of freeing up local authorities to do as much as they can to reflect the direct wishes of the local electorate. However, we are talking about people in severe poverty, and one of the overall duties of government at every level is to ensure that people in our communities are not put at risk as a result of that poverty. Therefore, there is a danger in the localist agenda, which I support, of allowing a free-for-all. Without establishing national standards and monitoring, we could have a number of local authorities failing to fulfil their responsibilities as we would wish. Although I agree with the hon. Gentleman that the local electorate should hold those authorities to account, we have unfortunately had numerous examples—I speak as an advocate of local government—of that mechanism for keeping local authorities in check not being effective, particularly on the detail of administering such schemes. I am sure that we can all cite examples of that on a cross-party basis, no matter who has been in control.

I am not talking about just my individual concerns. Virtually every organisation dealing with the poor in this country has expressed its concerns about this element of the legislation. My local citizens advice bureau has provided me with numerous examples—which I will not take the House through—of the benefits of both social loans, particularly crisis loans, and community care grants. I would like to take this opportunity to thank Heather Brown, director of the Hillingdon CAB, and all her team for their hard work. They have emphasised the need to explore all the implications locally and nationally before the Government leap into a new system.

Shelter and Crisis, the housing charities, have undertaken their own assessments of the process. Crisis surveyed 250 of its housing advisers. Numerous Members across all parties work closely with Crisis, and we have the greatest of respect for its work. That survey showed that 69% of clients used crisis loans for rent in advance, with 87% using them to help furnish their properties. In its briefing, which many Members will have seen, Crisis quotes one person as saying that unless we have a system that is at least as effective as the social fund, the effect on efforts to get people to move into independent accommodation would be "catastrophic". Anxieties have been expressed across the board about the fact that we have not yet had that assurance.

I am concerned about the lack of analysis in the Government's proposals of people's needs. There is also a lack of detail on how the proposals will work. My worry is that poor and vulnerable people will be put at risk as a result. It therefore behoves us as a House in discussing this Bill, as well as the Government, to come forward rapidly with detailed proposals that have statutory backing, in order to assure our constituents and all those working in the field that we will have a system to provide emergency support to people who are poor and vulnerable, but not one in which local decision making risks diverting those resources away from where they are needed. It is on that basis that I have tabled this amendment for discussion. I hope that, as a result of this debate, we will at least gain a clear understanding of how the Government are going to address these issues—and address them fairly urgently—given that they are causing considerable concern.

Ms Karen Buck (Westminster North) (Lab): I congratulate my hon. Friend the Member for Hayes and Harlington (John McDonnell) on the way in which he has introduced this group of amendments. His amendments and those tabled in my name cover much the same ground. Like him, I am deeply concerned that the Government propose to remove the discretionary element of the social fund without giving us a great deal more clarity about how the poorest and most vulnerable will be protected, about the adequacy of the replacement system, about the protection of vulnerable people without a local connection—a matter to which I shall return in a moment—and about the lack of a proper system of review. As my hon. Friend rightly said, the numbers involved are significant, with 640,000 applications for community care grants and 3.6 million applications for crisis loans. We are not talking about a modest amount of money, and those figures represent a great deal of need. He also suggested that they represent only the tip of the iceberg of need. Of course we accept that there cannot be unlimited capacity to meet need, and it is clear that, were more resources to be made available, more need would come out and be met.

I want to pick up on a point that my hon. Friend made in response to an intervention. Despite the numbers of people who apply for and receive loans and grants under the discretionary grant, and the fact that when local government takes on this responsibility it will be accountable, in the spirit of localism, to its electors, we must recognise that the characteristics of people who seek assistance from the social fund do not make them a cohort of people that is likely to influence local politicians on a significant scale. This will tie into comments that I will make in a moment about what we should do with people with no local connection.

All the evidence that I and my hon. Friends have received from our law centres, citizens advice bureaux and other organisations shows that the claimants of discretionary social fund elements are very likely to be highly mobile people in a crisis that frequently severs their connections to the local community. They are not likely to be over-represented among those on the electoral register, or to wield a significant amount of local clout. They would not always need to do that; a good, responsive local authority will map and respond to their needs without it, but the reality is that, in a competition for scarce resources, that will not always be true of all local authorities.

We are completing the stages of the Welfare Reform Bill today, having been asked to make decisions on a number of important elements, which we discussed on Monday and are debating today, without having been given a great deal of substance or detail about how

those elements will work. The Government called for evidence on the discretionary element of the social fund in February, but the consultation did not close until we were in the middle of the Bill's Committee stage. That worries me. Yet again, the Government seem to be pushing ahead with their proposals even though we have not had a proper opportunity to reflect on the breadth of views and opinions of people with experience of and expertise in the subject.

The Minister might care to report to the House on what the responses to the consultation actually said. It would be nice if she assured us that all the responses would be placed in the Library. I think I can guess, however, that their overwhelming tone will be one of deep disquiet, and that they will be urging the Government to think again, which is consistent with the principles outlined by my hon. Friend the Member for Hayes and Harlington. As he said, almost all the organisations with expertise and specialist knowledge in the operation of the social fund have told the Government of their worries. Let us take note of who they are. They include: Age UK; the Association of Directors of Adult Social Services; Barnardo's; the Child Poverty Action Group; Citizens Advice; Community Links; Crisis; Disability Alliance; Family Action; the Family Fund; the Family Rights Group; Gingerbread; Homeless Link; the National Housing Federation; Oxfam; Platform 51; the Prison Reform Trust; Save the Children; Scope; and St Mungo's. I am sure that there are others.

Those organisations are the big society in action. In many cases, they provide complementary services to the social fund, and they are expressing their concerns about the Government's proposals and about their capacity to deliver to the people who will need their services when the changes are introduced. If the Government are serious, as I have always thought they were, about the idea of the big society and about a partnership with voluntary and community organisations, surely the first principle must be to listen to what those organisations are saying. Let us take an example from that list. Oxfam has said:

"The Social Fund provides vital support for people in times of crisis. The government proposes to devolve much of this money to local authorities, but without any statutory duty on them to provide an equivalent system of protection. This runs the risk of driving people to use high-cost lenders, reducing their chances of managing their debts successfully. This is particularly important as Universal Credit constitutes a radical reform, and it is almost certain that its introduction will suffer from teething troubles. These are likely to cause significant need for emergency payments like crisis loans, just as they are abolished. The Social Fund needs to play an important role in protecting people during this transition, which further supports the need for a delay to the change."

The Committee also heard directly from people who know more about the social fund in all its strengths and weaknesses—we know that there are some weaknesses in the operation of the existing scheme—than anyone else. They included Sir Richard Tilt from the Social Security Advisory Committee, who said:

"Community care grants are the bit I am most concerned about—£141 million. By the time that you have dished that out to 100 plus local authorities, there will not be a great amount of money at local level, and I think, as it is not ring-fenced, it is likely to disappear into other things."

He also said:

"My view on all this is that we have a UK social security system and that, for the past 25 years, the discretionary social fund has been the ultimate, final safety net for the poorest and most vulnerable...I would argue for a UK safety net underneath it."—[*Official Report, Welfare Reform Public Bill Committee*, 24 March 2011; c. 82-3.]

Professor Kempson told the Committee, in respect of the role of local authorities:

"Some will provide a better service than we have now".

I do not think that that is in doubt. There is excellent practice in local government. Like my hon. Friend the Member for Hayes and Harlington, I also came to the House after serving in local government and I am a great advocate of it. Professor Kempson said:

"Some will provide a better service than we have now; many will provide a worse service; and some, I fear, will provide almost no service."

She also said:

"As I read it, there will be no ring-fencing, and I cannot even see that there is any proposal as yet to build in any form of accountability by local authorities. That is the very least that is needed."—[*Official Report, Welfare Reform Public Bill Committee*, 24 March 2011; c. 82-3.]

We know that the social fund has many flaws and has been subjected to scathing criticism from the Public Accounts Committee, the National Audit Office and others. I completely accept that those criticisms need to be taken seriously. The issue before the House today, however, is whether the Government's proposal risks making things worse by entirely removing that essential safety net without addressing the genuine concerns of the present system. The Minister made it absolutely clear to the Committee that

"there is no expectation that local authorities will replicate the current scheme."—[*Official Report, Welfare Reform Public Bill Committee*, 3 May 2011; c. 731.]

She is nodding at that. She made it clear that, when the discretionary social fund is removed, local authorities will provide a service equivalent to the present one. She said that this was not devolution to local government, but something fundamentally different.

Central to that is the fact that the Government do not expect local authorities to manage loan schemes, as happens now with the crisis loan scheme, and that as loan repayments were topping up the available resource through the current crisis loans, the capacity to provide an equivalent level of service through emergency funding is now severely restricted. The figure I was given was 84%, although the Minister told us in Committee that it was 50%—and I am happy to accept her correction. None the less, the cash sum as an annual figure starting from now that will be devolved to local authorities does not tell us much about the funding that will available for the equivalent level of crisis service once the scheme gets under way because that 50% repayment will very quickly fundamentally erode the value of the service. As we have heard, the likelihood is that it will drive people into the arms of the cowboy and high-interest lenders as well as into debt.

2 pm

The current proposals expect local authorities to devise their own schemes for emergency support, but without ring-fencing or without specific accountability attached to the funds. It is highly likely, as we know, that some or all of the funds can be diverted into other local priorities and the safety net would disappear.

The Government also envisage local schemes that will make use of the provision of other cash support to assist people in need, as my hon. Friend the Member for Hayes and Harlington said, emphasising the potential use of credit unions, charitable support, recycled furniture outlets and food banks. Setting aside whether that is really the kind of service that we want to operate, it has to be accepted—this is central to our thinking—that in many cases, although not all, when people are in need of emergency assistance, money is the best way of helping them to purchase the goods that they are likely to need.

That is very much in the spirit of empowerment, which we often hear the Government talk about in other respects. When people are at a crisis point in their lives and turn up to ask for assistance—perhaps fleeing domestic violence and needing to set up a new home—I fail to see how it empowers them when the only thing available is a second-hand recycled white goods store that may or may not have the form of assistance that they need. Whether or not it will be good value for money is another point. We all know that second-hand and recycled goods are of less value than new ones. There are all kinds of practical issues to consider.

Sheila Gilmore: Is it not also the case that many of the arrangements for people to purchase second-hand furniture are increasingly set up as social enterprises, which are intended to recoup money and make a working profit to go back into the business, so they will charge people, albeit less than for new goods, as otherwise their enterprise will not work? In any event, if this were going to be free, it would have to be heavily subsidised by someone.

Ms Buck: My hon. Friend makes an excellent point. The Government's mindset is an old-fashioned one. There is an excellent case for making better use of recycled goods as a commercial or social enterprise facility, but there is also a strong empowerment argument for letting individuals make their own choices with cash at their disposal to meet their needs appropriately. As my hon. Friend rightly says, in many cases, the vision we used to have of a charitable sector simply opening a warehouse into which people can go to choose whatever donated goods might be available no longer applies.

George Hollingbery: I would counterpoint that on the basis that it is entirely possible to imagine a financial arrangement between the charity and the local council in which the council uses the funds provided for the purpose to future-buy services from the charity, giving people free access under certain circumstances to the products provided. There are many different ways to skin this cat; I can see these arrangements working perfectly adequately.

Ms Buck: The problem is that once we start creating a necessity for such an arrangement to be run at every single local authority, we will also create the potential for a mismatch between the goods that people need, the goods that are available, the charities providing those services and the area in which they are available. That also risks setting up a completely bureaucratic system in every single local authority to do what the current discretionary social fund does.

George Hollingbery: I do not suggest for a moment that what I said should be a prescription nationwide. I said simply that it is easy to imagine an entrepreneurial solution that used the social fund to provide services locally that were administered by local councils but did not involve money changing hands.

Ms Buck: I will do a deal with the hon. Gentleman. If he supports our amendment, I will accept his point. There is some truth in what he says: there is some excellent practice out there and plenty of innovation in the local government sector, but it is not consistent across the piece. The amendment effectively says, "Do not abolish the discretionary social fund without piloting or without allowing a proper ability for local authorities across the piece to demonstrate that they have the capacity to do what needs to be done". The hon. Gentleman might well have enough confidence in that, but it cannot be guaranteed. At the moment, there is absolutely no assurance that a consistent level of innovation, expertise and commitment is available in some, let alone most local authorities.

John McDonnell: In my constituency we have done just that. A furniture fund has been set up by a voluntary organisation that is partly contracted by different agencies, but it has taken us 10 years to get to that. Now, because of people's change in circumstances as a result of loss of benefits, we are setting up an arrangement for food parcels, which are being distributed by religious organisations. It is, however, extremely difficult, and it takes a long time to set this sort of thing up. My anxiety is that in the rush to legislate on this matter, none of the preparatory work has been done and there are considerable costs in setting these things up, particularly in the early years.

Ms Buck: That is an excellent point. As we have said so many times in debating this Bill, one does not necessarily disagree with some elements in principle—localism and the involvement of local government in shaping the response to local needs, for example—but these local projects take a long time and require investment to set up and they tend to come and go. In north Paddington, one of the most deprived communities in the country, two credit unions were set up over the last 15 years—with regeneration funding in both cases—but they have both collapsed. I do not want some of our most desperate and vulnerable people to be forced into reliance on a set of services that come and go, that might not be available and that might well collapse. I think credit unions are marvellous; I would like to see them flourish in all parts of the country, but they are much more vulnerable than people sometimes allow.

John McDonnell: Many of us have been through the same exercise that my hon. Friend described to establish credit unions, so the last thing we need at the moment is anything that destabilises our local credit unions. Loading this sort of responsibility on to them could undermine not only individual credit unions, but the whole sector.

Ms Buck: That is absolutely right. We need to carry on growing the local expertise and the local voluntary and community organisations, including credit unions, which need to come up with innovative and practical responses to help deal with our social problems. However, they are not a replacement, but a complement, and they have to be approached with a great deal of care.

Jim Shannon (Strangford) (DUP): I commend credit unions to all Members for the work they do, but for those in financial difficulties, the crisis is already there and unless someone is already in a credit union, they cannot borrow from it. With respect, I do not believe that credit unions are an option.

Ms Buck: That is absolutely right. The Government mention credit unions as part of the package of alternatives that they want to see picking up the slack. They may have a role for some people, but the hon. Gentleman is right that they are not an emergency response. As I said in my opening remarks, precisely because a disproportionate number of the individuals who need crisis intervention do not have a local connection or a stable household background, they are the ones who will not be in a credit union. They are disproportionately unlikely to be in a credit union or to have the scope to be able to join one. That is precisely why the social workers—expected to be a part, although admittedly not the entirety, of the gatekeeping process for the replacement of the discretionary social fund—are so concerned. Although they will not be alone, they will be very much on the front line of gatekeeping for this dramatically reduced and very different type of service, which is patchy and might be flourishing in some cases and not in others. As I said in Committee, the consortium of community care stated a few months ago that social workers are anxious about having to deliver the social fund, knowing that applications for community care grants are already turned down in 60% of cases. They say that their role as advocates and supporters for people in need through a crisis in their lives is dangerously undermined by the new financial gatekeeping role that they will be asked to take on.

In evidence to the Committee, Councillor Steve Reed, speaking on behalf of the London Councils and the Local Government Association, said that local authorities have expressed an in-principle willingness to be part of this process. I understand why he would do that. He also told the Committee that he was worried that the localisation of the discretionary social fund should be fully funded and that it should cover all the costs, including the administration costs, which, for the community care grant alone, were £19 million in 2008-09. As we have drawn out in the debate over the past hour, the likelihood is that the administrative process for local government and the gatekeeping, which will not simply be about deciding whether to give a crisis loan or community care grant but whether to find people alternative levels of support, are likely to put an increased financial burden on local authorities.

Some Government Members on the Committee argued that social workers and others will be able to provide more intensive, personalised intervention for people in crisis, helping to end a cycle of repeated loan applications, but that is likely to make the situation worse. If the 3.64 million crisis loan applicants or 640,000 applications for community care grants have to be funnelled through a more intensive and personal level of intervention, who will do that work? Where are the social workers and the available time in local government to improve on this? The answer is that they will not be there. Local authorities are retrenching and they are on the back foot financially, and the likelihood is that they will have a smaller pot of money as they act as gatekeepers for an even wider group of individuals.

The Minister tells us that there is an expectation that there will be some form of review process, but the current review process is national and now every local authority will be expected to set up its own, leading to huge complications with differences in approach and the structure and bureaucracy of setting up a process in every local authority to determine how initial decisions will be reviewed and appealed against. I know that that causes a great deal of alarm in the advice sector.

Let me return to the vexed concern about local connection. Sample work on discretionary fund cases was carried out by the Department last year, which considered a basket of 500 different cases, and 20% of those cases involved people who were homeless. Some 20% and more of the applicants in such cases—the amount varied between different parts of the country—had no single connection with any individual local authority. That is my single biggest concern about the Government's approach to this agenda.

One example, which was highlighted in the media last week, is the case of victims of domestic violence. A group of the women's charities has written to the Minister for Women and Equalities, warning that some councils will not be financially able or willing to help women escape violent partners on the grounds of the provisions in this part of the Bill. The belief is that there will be an increased postcode lottery of provision that does not reflect the Government's previous claim that tackling domestic violence is a priority and the fear is that councils could impose a local connection test that could disadvantage women fleeing domestic violence who are often, almost by definition, forced to move into another local authority area. The charities say that many women fleeing the home have to leave everything behind, including household furnishings and essential items, such as cookers, that most families take for granted to rebuild their lives in a new home. They quoted a mother from Croydon, south London, who left her abusive partner in 2003 and said that she had only been able to escape a life of domestic violence thanks to a £700 grant that helped her to rebuild her life. The chief executive of Women's Aid said:

> "The social fund is a vital resource for victims attempting to rebuild their lives after domestic abuse and, if it is not available, victims may be forced to return to their abusers."

The director of Refuge added that if the discretionary social fund is abolished, there is a risk that

> "more women will be forced to delay their escape from their partner."

2.15 pm

We flagged up other groups in Committee that deserve to be mentioned again, such as those that deal with the problems for ex-prisoners. About 66,000 people leave prison every year, a third without accommodation. The Prison Reform Trust has lobbied me and others on its concerns about the loss of the discretionary social fund and has flagged up the fact that ex-prisoners have a particularly strong need for early financial assistance to prevent debt, because once they are in debt there is a grave danger that that will lead to a risk of reoffending, as the two are heavily correlated.

I worry that local authorities, which are subject to political pressures from their resident populations and forced into painful choices that, in some cases, involve retrenching youth services, libraries and so on, are

hardly likely when allocating a non-ring-fenced grant to make ex-offenders, for example, a priority. That is human nature. It is inevitable that some groups will be less of a priority than others and ex-offenders are likely to be a particularly at-risk group in that context. If we take each local authority on its own merits, we can understand the political reality of that position, but it will come back and bite local communities and the Government many times over if those individuals are not assisted and cannot make a stable life for themselves after they leave prison.

Local authorities such as mine and such as those in seaside communities, in particular, have an incredibly high population turnover. In my constituency, 30% of those on the electoral register alone move address every single year. Those individuals do not have a local connection and there will be a real risk that a mechanism will be created to determine who does and who does not have a local connection. Where, then, will those individuals go?

When the Committee took evidence, the Secretary of State said that there would be a "moral duty" on local councils. I repeat what I said in Committee: I do not know what a moral duty means. We all believe that local authorities have moral obligations and we have a moral obligation to respond to homelessness, to children in need and to the care needs of our elderly people, but in practice, without a legislative framework, people will not necessarily assume that duty if they have grounds to believe, for example, that the person approaching them at a time of crisis is not someone whom that specific local authority has a duty to assist. Although I welcome the principle of a moral duty, I want to see a legislative framework. I want to see it piloted so that local authorities have the opportunity to draw up a code of practice that can be tested and shown to work so that when people do not have a specific local connection they will be dealt with and not turned away.

For all those reasons, and for the reasons so well expressed by my hon. Friend the Member for Hayes and Harlington, I shall press amendment 39 to a vote. There might be scope for a localised response to some of these needs, but we are a long way from having anything like the structures, framework and legislation to enable individual needs to be accommodated, including with reviews and when the vexed question of local connection is not resolved. I hope that the House will take the opportunity to say that we should not proceed until we have seen this working in practice and dealt with any of the problems that will undoubtedly arise.

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): I know that the right hon. Member for East Ham (Stephen Timms) is keen for us to make progress today and was somewhat concerned that we did not complete consideration of all elements on Monday. I will try to address all the issues that I am able to address in a speedy manner so that we can consider things fully.

Right hon. and hon. Members who have been listening to the debate thus far will already have a flavour of the complexity of the current scheme. Unfortunately, the scheme is open to widespread abuse, and some of that is driven by the remoteness of the administration of these elements of the discretionary social fund. Just so that hon. Members are absolutely clear, I should say that we are talking about replacing budget loans, crisis loans and the community care grant with national payments on account, including advances and alignment payments, and with local authority -delivered local assistance. The bulk of the comments of the hon. Members for Hayes and Harlington (John McDonnell) and for Westminster North (Ms Buck) were about crisis loans, half of which are alignment payments, which will continue to be paid at national level through payments on account. It is important that hon. Members are aware that to all intents and purposes people will still have access to that money on a national basis. I hope that will reassure hon. Members regarding a number of the issues raised.

I do not think that the status quo is an option because of the level of abuse in the system at the moment. First, the number of crisis loans has tripled since 2006, but we do not believe that that increase reflects an underlying increase in genuine need as a result of the recession or anything else. We have looked in detail at the individuals who are causing that increase in demand and our analysis has shown that it is being driven by young single people on jobseeker's allowance, many of whom are still living at home. We should be looking at what is driving that demand and asking whether the money is getting through to the sort of vulnerable people about whom the hon. Member for Hayes and Harlington is rightly concerned.

Ian Paisley (North Antrim) (DUP): What is the Minister going to do to ensure that the operation of the social fund across the devolved regions does not set a hierarchy of standards and differences that are so far apart that people come to realise that the social fund operates very differently in certain parts of the UK? That would create hardship for many vulnerable people.

Maria Miller: The national payments on account will be dealt with on a national basis in the same way in any part of the country and the regulated part of the social fund will continue as it is. The hon. Gentleman is talking about how local assistance will be dealt with and I am sure that he, like all hon. Members, will know that local authorities want to do their best by the vulnerable citizens we are talking about. That is certainly my experience of most, if not all, local authorities.

Naomi Long (Belfast East) (Alliance): Will the Minister give way on that second point?

Maria Miller: Will the hon. Lady forgive me if I make a little more progress? As I have said, we really need to move through this quite quickly.

Another reason why the status quo is not an option was highlighted only this week when community care grants were referenced in a "Dispatches" programme, which showed that an ex-offender who had received a community care grant for resettlement had spent the money on drugs. We should all be concerned about the lack of checking on how money is used and we should look at how to improve the system.

The hon. Member for Westminster North took a great deal of pain to talk about people who claim crisis loans having some degree of mobility and disengagement from the democratic system. I am not sure what evidence she has to support those assumptions, but we do not have that evidence to hand. The three elements of the discretionary scheme that I have talked about have very different and distinct client groups.

Bridget Phillipson (Houghton and Sunderland South) (Lab): May I draw the Minister's attention to one group of people who might fall into that category? Victims of domestic violence might not be on the electoral register because they are forced out of one area and into another and they therefore do not have the democratic accountability that comes through the ballot box.

Maria Miller: The hon. Lady is obviously a mind reader, because I was just about to talk about whether the changes we are discussing will be a problem for victims of domestic violence—a group whom we all want to ensure get that support and are able to move to a place of safety, as is absolutely right. We do not believe that the new localised service will be a barrier to people in genuine need, particularly victims of domestic violence. It will provide an opportunity for more joined-up services on the ground while continuing to give individuals in that situation access to national payments on account through advances or alignment payments. The hon. Lady will be aware that under the current scheme victims of domestic violence must have fled the family home to qualify for support to set up home from the discretionary social fund.

A third and very important reason why keeping the status quo is not a sensible option is the need to align support with the wider changes that are happening in the welfare system. To continue running the current administratively burdensome system is no longer financially sustainable. Community care grants and crisis loans for general living expenses will be replaced by locally based support, which will be the responsibility of local authorities in England and the devolved Administrations in Scotland and Wales. That will deliver on the coalition's commitment to implement the Calman commission's recommendations and will tie in with the wider Government agenda on localism, as has been mentioned. Local authorities are better placed to understand the issues that people in their area face and to dovetail existing and needed services. Different areas face different issues and local authorities will be free to come up with the sort of innovative ideas that will address these issues and make sure that the money that is available is targeted at the right purposes so that we move away from a situation that allows the sort of abuse I have mentioned.

Stephen Timms (East Ham) (Lab): We learned in Committee that although council tax is delegated to local authorities, investigations of fraud will be carried out nationally by the single fraud investigation service. The Minister has talked about abuse. In the case of the devolved social fund, where there is a worry about fraud will it be investigated by the local authority or by the single fraud investigation service?

Maria Miller: Local authorities will be free to consider whether they need to set up their own service locally or use the local government ombudsman. It really is for local authorities to look at the most effective way of dealing with levels of fraud or with any dissatisfaction with the way in which they are delivering services. The amendments do not really grasp the premise behind the Government's proposals. We want to move to a situation in which local authorities are looking at the gaps in their services locally and are able to use the funding that is forthcoming as a result of these changes to fill those gaps and pull together the sort of service that is required by vulnerable groups such as those we have been discussing.

Crisis loans for alignment purposes and budgeting loans will be replaced by new national provision. As I have said, that accounts for half of all current crisis loan applications. That provision will be delivered nationally by the Department for Work and Pensions. The ending of the discretionary social fund and the implementation of replacement schemes, both nationally through payments on account and locally by local authorities and the devolved Administrations, is the best way to approach the reform. Amendments 53 and 54 would prevent those reforms from taking place and would leave us with an out-of-date and inefficient discretionary social fund scheme that would soon be unworkable with the introduction of the wider benefit reform we have already outlined.

2.30 pm

Amendments 39 and 40 would impose criteria set by central Government on arrangements to replace the discretionary social fund if it were abolished. Some of the requirements in amendment 39 are activities that we are already undertaking in our work on the replacement of the discretionary social fund. Other elements in the amendment would not be helpful to what the reform of the social fund is trying to achieve. As I said, in some ways the amendment misses the point of the reform, which is that local authorities are better placed to understand the needs of their local communities and to make sure that the money is getting through to the right people for the right activities.

Ms Buck: Why does the Minister think that almost every specialist organisation, voluntary group and charity in the field thinks that that is a problem? Is it because they do not understand it?

Maria Miller: The hon. Lady will know that we have had a call for evidence, and we will be considering the many different views of the organisations she mentions. We will of course want to work with those organisations to make sure that our policies work well. I remember some confusion in Committee about whether we were talking about the social fund or the discretionary social fund, so perhaps we need to make sure that people really understand our policy. Empowering local organisations at local level—the sorts of organisations that the hon. Lady named—to work with vulnerable groups in the individual community will, I think, be welcomed by many organisations on the ground.

Steve Baker (Wycombe) (Con): Does my hon. Friend share my slight puzzlement that the left seems to have abandoned the rich tradition of mutuality and self-help that was the foundation of the Labour movement? I am not hearing very much about that from the Opposition.

Maria Miller: I thank my hon. Friend for his intervention. I too was thinking about some of the speeches earlier this week; responsibility and empowering people are vital.

Amendment 39 misses the point when it proposes a pilot scheme to determine the feasibility of whatever scheme would replace the discretionary social fund. It would be impossible to run a pilot scheme for each local authority. We could run only a single pilot scheme, which would lead to our stifling any ideas local authorities

[Maria Miller]

might have about how to improve their local area. I hope that my experience of local authorities is no different from that of the hon. Member for Westminster North. They really understand their responsibilities to the most vulnerable groups in society and rather than deprioritising them, which is the inference from her comments, they are very much a priority. Those groups may not have a strong voice at the ballot box, but most councillors I meet are very motivated about getting the right support to them.

John McDonnell: I do not want to get drawn into discussions about blue Labour, and I understand the hon. Lady's anxiety about almost flying against the localism agenda, but there is a mid-way point. Even if the Government are not looking at laying down criteria or guidelines, is there no thought that central Government could convene local authorities to explore best practice before the proposals are implemented?

Maria Miller: There have already been conversations with local government, and as I think Opposition Front Benchers hinted at, there was a broad welcome for the proposals. We shall certainly be working with local authorities to make sure that what happens is exactly what the hon. Gentleman was talking about; the spread of best practice will be critical.

The amendment seems to have taken no notice of the national provision of payments on account that DWP will provide under clause 98. Budgeting advances—the replacement scheme for social fund budgeting loans—will be very similar to budgeting loans, which have been hugely successful and largely self-financing. Budgeting advances will be targeted at those who are least likely to be able to access mainstream lending. That will help to ensure that vulnerable people are not driven to illegal lenders, which is rightly of concern to Opposition Members.

Short-term advances—the replacement scheme for interim payments and crisis loan alignment—will ensure that people who face financial need as a result of problems with their benefit claims will, if they are eligible, be able to access financial assistance through interest-free advances of their benefit. The grounds for eligibility will be set out clearly in regulations.

Another element of the amendment is a requirement for the Secretary of State to publish a proposal for a replacement scheme, based on wide consultation with stakeholders. We are already taking that approach in our discussions about replacement schemes. We will soon publish our response document to our call for evidence, which was based on wide consultation with lobby groups and local authorities. There will be a large amount of information and evidence for Members to consider.

The amendment requires local authorities to set up an independent appeals mechanism, but as I have already said, local authorities will be able to set up an internal review mechanism if they think it appropriate. Furthermore, the local government ombudsman offers a fair and impartial service for people who are dissatisfied with a decision made by their local authority.

In conclusion, the national scheme of payments on account and the local provision, as delivered by local authorities and the devolved Administrations, will provide well-considered replacements for the discretionary social fund, and will make sure that we are supporting more effectively than is currently the case the vulnerable individuals we have discussed today. With those reassurances, I hope Members feel it appropriate to withdraw their amendments, and we can press forward with the Bill.

Yvonne Fovargue (Makerfield) (Lab): As we have heard, the discretionary social fund currently consists of budgeting loans for managed expenditure, crisis loans for emergencies and community care grants for essential household items such as cookers and beds for certain groups—for example, vulnerable people who are moving into new accommodation. The provision is national and acts as a safety net for benefit recipients facing essential expenditure they cannot meet.

It bears repeating that in 2009-10, there were 640,000 applications for community care grants and 3.64 million applications for crisis loans. That demonstrates the scale of the activity we are asking local authorities to take on. It is no small task, but it is absolutely vital to the financial well-being of many of the poorest and most vulnerable people in our society. Although an alignment scheme will be introduced—in effect, allowing advance payment of benefit—I have seen from experience how important it is that people can claim a community care grant, which does not have to be paid back, for their living expenses. It does not put people on the lowest possible income into debt. Without that, people will be driven into the arms of the high-cost lenders, which will reduce their chances of managing their debts successfully. That will put more strain on other services—for example, the health service—due to the increase of stress and depression caused by the cycle of low income and debt.

Proposals were outlined in 2011 to transfer to local authorities, with guidance, the funds currently used, but there will be no new statutory duty for how the money is to be used. It will not be ring-fenced. Local authorities have numerous calls on their expenditure at present, and without ring-fencing we cannot guarantee that the provision will go to those who are most in need. I envisage a number of different policies and that some vulnerable people will lose the right to apply for emergency support. They may be trapped between two local authorities with differing policies.

Bill Esterson (Sefton Central) (Lab): My hon. Friend talks about the involvement of local authorities. Several of my constituents have contacted me about a situation that arose when the computer system in Sefton council's housing office was down for six weeks. The staff advised my constituents to get crisis loans until the problem was fixed. I cannot understand how the Government's proposals will make it possible for those staff to provide any kind of crisis support. Does my hon. Friend agree?

Yvonne Fovargue: I do. It is difficult for local authorities to provide a consistent service. As we have heard, people who are fleeing domestic violence will have an especially difficult time as they move from one local authority to another overnight. How will they be treated?

Maria Miller: I apologise for intervening on the hon. Lady, but may I clarify that people will be able to access that sort of money through payments on account, as I outlined?

Yvonne Fovargue: I shall return to the issue of domestic violence. Who will be the responsible authority? If people move overnight to interim accommodation, whose policies will prevail? There are problems at the moment with local authorities taking responsibility. I know of situations in which one local authority says, "These people can't come back to us," and the other says, "We don't want to accept them."

Jeremy Corbyn (Islington North) (Lab): My hon. Friend makes an important point. This is a serious and acute problem in London. Given that the boroughs are geographically small, people who move at a time of crisis are not aware of what borough they are moving to and from, and the situation can be disastrous for their future housing options. Central Government direction is needed, and there must be complete ring-fencing and a statutory requirement on each local authority because otherwise the most vulnerable will be short-changed as a result of demands for expenditure—albeit understandable demands—in other areas of a local authority.

Yvonne Fovargue: I completely agree. The Government's approach seems to be predicated on a view that local management will more accurately assess local people's needs and use a range of local provision and services to support people in need, but that argument is flawed.

We have heard mention of credit unions and charitable support, as well as recycled furniture outlets and food banks. However, let me cite the example of an individual whose washing machine or cooker breaks down. They might be given a recycled product, but such goods are often much less energy-efficient than new goods, so that person will face higher fuel costs and will have no choice but to pay them with more of their low income. Such goods also lack a guarantee and have questionable reliability, so the approach might well be a false economy.

There is also a question of whether charities will be able to sustain continuing demand and, importantly, of whether the dignity of the individual will be adequately protected. I have heard many people—young and old—say, "I am not asking for charity. I do not want charity." I fear that people will be deterred from applying to any scheme under which they will be referred to a charity and that they will therefore be forced into the hands of the high-cost lenders and credit companies.

Oliver Heald (North East Hertfordshire) (Con): I might have misunderstood the hon. Lady, but is she really criticising the charities that provide such services? For example, councils for voluntary service provide excellent second-hand furniture facilities. These charities are not undignified, but offer an extremely worthwhile service through which they provide good quality goods at reasonable prices.

Yvonne Fovargue: I absolutely accept that, but some people do not want to be forced to use such charities as their only course of action. Vulnerable people on low incomes have a great sense of pride when claiming benefit. I absolutely believe that forcing individuals into the arms of charity will mean that they will instead go to high-cost lenders.

Oliver Heald *rose*—

Yvonne Fovargue: I will not give way. I want to move on to the lack of an appeals process.

I regret the loss of the extremely useful digest published by the social fund commissioner that gave an overview of appeals and reviews. That was an invaluable tool for advisers. It assisted them to help their clients to obtain their rights consistently. Such consistency is extremely important. Without a universal scheme, it will be lost, so vulnerable claimants will be left with a patchy and inconsistent service. People might have a right of appeal or independent review but, depending on local authorities' policies, one side of the street could well get a cash grant while the other side would be given advice about which charity to approach. In the context of homelessness, I have seen that one local authority's interpretation of "advice and assistance" can be very different from that of the local authority that gives people a list of private landlords.

2.45 pm

Jeremy Corbyn: I am glad that my hon. Friend brings up the issue of private landlords because the majority of the people about whom we are talking—certainly in London, but possibly in the rest of the country—tend to live in private rented accommodation, which is often unregistered and usually incredibly energy-inefficient, certainly compared with council and housing association accommodation and most owner-occupied properties. These people therefore face higher energy costs and their permanency of accommodation is more vulnerable. We need to take account of the fact that we will be throwing people into the most vulnerable housing sector of all those available.

Yvonne Fovargue: I agree. This is no way to treat vulnerable individuals who are trying to obtain life's necessities. I urge hon. Members not to legislate for the Government's proposals before a robust, effective and consistent alternative, with a proper right of appeal, has been fully explored.

Priti Patel (Witham) (Con): One of the Bill's underlying principles is that it focuses resources on those who are the most vulnerable and in need. It is also designed to reduce complexity and to make the delivery of welfare support more effective and efficient. Clause 69 satisfies those requirements. Localising the delivery of the social fund will clearly promote a more joined-up delivery of services and support.

Oliver Heald: Does my hon. Friend share my concern about the remarks made by the hon. Member for Makerfield (Yvonne Fovargue), who seemed to suggest that benefit claimants should be entitled as of right to buy all their furniture as new, rather than resorting to sensible and reasonably costed alternatives? What person who starts a new home does not have to buy a little bit of second-hand furniture?

Priti Patel: My hon. Friend is absolutely right. We are talking about taxpayers' money, so we have to be resourceful.

I do not believe that Labour amendments 39 and 40 would make the delivery of the social fund more effective, and nor would they further support applicants and people in need. They would put additional bureaucratic burdens on the Government and risk delaying the implementation of the reforms. Amendments 53 and 54, which were tabled by the hon. Member for Hayes and

[Priti Patel]

Harlington (John McDonnell), would dogmatically block change by retaining the existing top-down system that is nowhere near as effective as we want it to be.

The hon. Member for Westminster North (Ms Buck) talked about several of the anomalies and dysfunctional problems in the social fund, as well as the National Audit Office's criticism. Members of the Public Bill Committee know that the number of crisis loan applications has soared since 2006 from 1 million to 2.7 million, while more than 17,000 people have received crisis loans in the past 12 months. Given that such a significant number of people require multiple crisis loans, delivering the social fund locally will help to signpost them to support mechanisms, rather than encouraging the top-down approach that has been in place thus far. Many of the arguments put forward by Labour Members have been flawed and inaccurate, and I think that the amendments would be counter-productive to the Bill's objectives.

Ms Buck *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I do not think that the hon. Member for Witham (Priti Patel) is giving way; she has concluded her remarks.

Jim Shannon: I am not against the principle of welfare reform, but I am against how it affects those people who regularly come to see me. Not a week passes in the offices that I look after in which we do not see people who need crisis loans, and we hear from people who are under financial pressure all the time. With respect, I sometimes wonder whether some hon. Members have ever seen a social fund or crisis loan form. Do they know what it is like to be in financial crisis and under pressure?

I support the amendments for a number of reasons, and I hope they will be put to the vote. What happens in the House today will be sent to the Northern Ireland Assembly for its endorsement. On the principle of parity with the rest of the United Kingdom, I expect the Northern Ireland Assembly to endorse the decision of the House. The measure will then become the law for Northern Ireland as well. So if we feel concerned about it, we must oppose it here today. That is what the people I represent tell me.

Most of us are probably affluent enough to be able to borrow money from the bank if we are under financial pressure, but the people who come to me in my office seeking crisis loans through the social fund cannot do that. They do not have the option of the credit union either, because of the credit union methodology. I fully support credit unions. Everyone on the Opposition Benches who has a particular knowledge of credit unions would support them 100%, as we have in the past, but they are not an option for people in financial crisis, as the Government have suggested.

Naomi Long: Does the hon. Gentleman agree that part of the difficulty is that in circumstances where people's finances are very stretched and they are very vulnerable, the crisis loan system stands between them and lenders with extortionate interest rates and loan sharks, which can impact not only on their financial welfare, but on their health and well-being more generally?

Jim Shannon: I thank the hon. Lady for her intervention. She clearly has cause to represent people in relation to social fund issues and has a good understanding of the financial crisis they face.

Many of the people who come to me in my office have health problems. If they are unable to work, possibly because of an injury at work or an accident at home, they are left facing a financial crisis. Intimidation is not rife in Northern Ireland and nowhere else; it happens in other parts of the United Kingdom as well, and there are occasions when someone has to leave home quickly, and they face financial crisis. Most of those who come to me are single people, maybe a single parent with a young child, or sometimes they are people coming out of care or out of prison, or people who have experienced family break-ups.

The hon. Member for Makerfield (Yvonne Fovargue) described the situation well, and I share her experiences as a representative. Those people are under great financial pressure and are worried about where they are going to go. They look for alternatives to borrowing money. Sometimes, as a result of their inability to pay back their loans on time, they end up in hospital. Loan sharks are probably the only people willing to lend them money but at an extortionate rate, which puts them under great pressure. I am sure other hon. Members have seen that.

Mark Durkan (Foyle) (SDLP): Is my colleague, like me, at a loss to understand how some hon. Members who are prepared to commend the social fund measures are the same people who, in relation to parliamentary expenses, argue for the operational principles of clarity, predictability, responsiveness, consistency and the right to query or appeal? They demand those operational principles where it affects themselves, but they are prepared to mangle them where they affect their most marginal constituents when it comes to the social fund.

Jim Shannon: I thank the hon. Gentleman for his passion and his commitment. I would find it difficult to argue against those points. I should like to hear from the Minister what measures the Government intend to put in place to ensure that the people whom I have described—the single people facing financial problems or those experiencing health problems, marital break-ups or intimidation, who clearly have problems at home—will fit into the system. I do not see that they will. I see extreme difficulties for them in future.

The hon. Lady spoke about those managing debt. Not everybody has the ability to manage their financial circumstances. We meet people in my office who unfortunately fit into that category. We try to advise them or send them to someone who can give them advice and help, but in many cases they are unable to manage their financial circumstances. The crisis loan enables them to borrow and get out of the crisis that they face, and agreeing a direct debit helps them to manage their money.

For those who come to me in financial crisis, the crisis loan is their only way out. I would love to be the Northern bank or the Ulster bank and be able to lend all those people money personally, but unfortunately my resources do not go that far and it is not my responsibility to do that singly and individually. That is the responsibility of Government.

Bill Esterson: The hon. Gentleman makes a strong case for his concerns about the loan system. What worries me, reading the clause, are the references to discretion and appropriate decisions by the Treasury about what does or does not constitute grounds for payment on account. A constituent who came to me was denied employment support allowance and was told that he was fit for work. When he went to the jobcentre, he did not qualify. That person needed three separate crisis loans. The point about managing debt is well made. The issue of appropriateness will cause huge problems.

Jim Shannon: I thank the hon. Gentleman for his comments. Many Members in all parts of the House know how the system works and the importance of a crisis loan system operating through the social fund.

My final point relates to the appeals system. The proposed changes will do away with the independent appeals system or at least make it unnecessary. I fought a number of appeals for people who had applied for crisis loans through the social fund. Having the appeals system in place is critical. If they are turned down the first time, it may be because they provided the wrong information, or because all the necessary information was not available. An appeals system allows a review to take place. It is crucial that the independent appeals system is retained.

The system of crisis loans through the social fund is a crucial aspect of life in Britain today for the people who come to my office and for those I meet. It gives people hope and an opportunity to get out of sometimes dire financial circumstances. The Government, the House and we as elected representatives have a duty to make sure that the social fund and the crisis loan are retained.

Bridget Phillipson: I am grateful for the opportunity to speak to this important group of amendments concerning the discretionary social fund, particularly amendment 39, which calls on the Government to bring forward detailed proposals for the replacement scheme.

Discretionary social fund payments, such as crisis loans and community care grants, provide an essential safety net for some of the most vulnerable people in our communities who, at times of extreme hardship or disadvantage, need financial support. One such group I wish to talk about in detail are women fleeing domestic violence who, through no fault of their own, are forced out of their own homes and have to seek shelter elsewhere. It is because of my experience working with women affected by domestic violence and their families that I am so concerned about the Government's proposals and what they could mean for those women.

A woman fleeing domestic violence often must leave her home with nothing more that the clothes she is standing in, without money or access to money, but she still needs access to vital items for herself and her children, from food and nappies to children's clothing. The social fund provides a vital lifeline for those women. Although far from perfect—I admit its shortcomings—it gives reassurance to the woman that help is available should she need it so that she does not feel pressured to return home to violence simple because she has no access to money. Community care grants allow women to start afresh, with a new life and a new home, by covering some of the costs attached, such as a washing machine or a cooker.

3 pm

At present, clear guidance operates for decision makers, with clear processes in place if the individual is unhappy and wishes to challenge a decision, but the Government's proposals will shift those responsibilities to local authorities and are deeply concerning on a number of levels. There is little reassurance that an adequate service will be provided or that the quality of service and the appeals process will not differ greatly across the country from council to council. The Government say that local authorities will be open to scrutiny at local level, and to a degree that is true, but I simply do not feel confident that vulnerable and excluded groups, such as women fleeing domestic violence, will be able to make their voices heard in those circumstances.

As I indicated when I intervened on the Minister, those women are often not on the electoral register and cannot cast a vote, so at the most basic level there is a lack of democratic accountability. I am sure we all hope that local councillors and councils would take due notice of those groups regardless, but the realities of life mean that if those women are unable to vote, as is the case for the vast majority who are forced to move to a women's refuge, they are denied an important opportunity to affect local decision making.

Skilled and experienced professionals in the Department for Work and Pensions currently administer the discretionary social fund, but it is not clear who will take on that role within local authorities. That will present a significant capacity problem for local authorities that are already stretched in the current financial climate. The Government have not set out minimum standards and levels of service that they expect councils to adhere to. How will individuals access the replaced discretionary social fund, and where? What time scales can they expect for decisions? We might end up with significant variation between councils, whereas at present we have a clear national scheme. I do not believe that we have had clarity from Ministers on local eligibility.

Ian Paisley: The point that the hon. Lady is making is critical. A local authority might lay down a policy on this matter that is very good, but if another authority then does something slightly different that appears to be better, automatically all the good work that the first local authority has done will be seen as of no use as it will be held to another standard. We must have a single national standard so that people who require this fund, whether in Bushmills or Birmingham, know that they will see the same standard, with the same requirements, the same grant and the same opportunity to avail themselves of that assistance.

Bridget Phillipson: I agree entirely. It is vital that people feel that appropriate safeguards are in place with a national scheme and a national appeals system so that when things go wrong, as they sometimes do, there is an appropriate means of redress and decisions can be looked at again.

My concern with the Government's proposals is that we will end up with massive variation between councils and between different parts of the United Kingdom, which will disadvantage people in certain areas. Some councils might choose a system that works very effectively and addresses the needs of vulnerable groups, but others might not do that so well. That is why the Government

[Bridget Phillipson]

must be very clear about the standards that they will demand of local authorities, but they are not being clear.

Women fleeing domestic violence are often forced out of their local area in order to seek safety, so what safeguards can we expect when a woman is forced to move to an area where the local council might decide that she is ineligible for support? In the urban areas of the north-east, where large local authorities cover small geographical areas, it is not a great distance from Gateshead to Sunderland, but might the local authority in Sunderland, for example, take the view that the woman should seek support from her local authority in Gateshead? I sincerely hope that it would not take such a view, as that could hold up the process when the woman desperately needs financial help. This is not a factor at present because the scheme is a national one, but devolving responsibility to local councils will create a raft of potential problems for those councils and risk placing some very vulnerable people at risk of harm.

It is simply not good enough for the Government to hope that local councils will be able to manage this complex change. With a budget that is not ring-fenced and the potential for a reduced level of funding from recovered grants, it is inevitable that some local councils will not want to take people without a clear and established local connection, which I believe will be particularly damaging for women fleeing domestic violence if this is not done properly. That is why it is imperative that the Government set out detailed proposals, as amendment 39 makes clear, including eligibility criteria and an independent appeals mechanism. Without further clarity and detail, there is a real likelihood that some of the most vulnerable people in our communities will be unable to access financial support when they need it most.

John McDonnell: I will not delay the House any further because I think that colleagues from all Opposition parties have demonstrated why they are not convinced by the Government's proposals, and why every charity and housing group in the country is not convinced either. Members' surgeries will fill up as people can no longer receive grants and loans, so it is inevitable that we will return to the issue at a later date to reform the Government's reforms. I will not push for two Divisions on this group and, on the basis of supporting amendment 39, beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 39, page 52, line 22, leave out subsection (1) and insert—

'(1) Section 138(1)(b) of the Social Security Contributions and Benefits Act 1992 (discretionary payments out of Social Fund) may be repealed, if the Secretary of State—

(a) publishes a detailed proposal for a replacement scheme, or schemes, based on wide consultation with relevant stakeholders;

(b) ensures that such a scheme, or schemes, will provide financial protection for applicants in an emergency or crisis, with the eligibility criteria for applicants specified in regulations;

(c) demonstrates the feasibility of such a scheme, or schemes, through a pilot or pathfinder process; and

(d) demonstrates how an independent appeals mechanism will be implemented.'.—*(Ms Buck.)*

Question put, That the amendment be made.

The House divided: Ayes 237, Noes 300.

Division No. 294] **[3.6 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald

Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mark Tami and Lilian Greenwood

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen

Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Patel, Priti
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Shailesh Vara and Mark Hunter

Question accordingly negatived.

Clause 74

STATE PENSION CREDIT: CAPITAL LIMIT

Amendment made: 19, page 54, line 15, clause 74, at end insert—

'( ) In section 19 of that Act (regulations and orders), in subsection (2), before paragraph (a) there is inserted—

"(za) section 1(2)(d),".'—*(Maria Miller.)*

Sir Peter Bottomley (Worthing West) (Con): On a point of order, Mr Deputy Speaker. We now come to a sensible grouping of amendments, to be considered together, on the personal independence payment. The first, amendment 43, refers to clause 78, but amendments 41 and 42 refer to clause 83, which is about a rather separate issue, so I hope that the Chair will take into account the progress of the debate in order to decide whether to allow a vote, if necessary, on amendments 41 and 42.

Mr Deputy Speaker (Mr Lindsay Hoyle): We will see how the debate goes, and I am sure that we will look favourably upon the issue when we get there.

Clause 78

ABILITY TO CARRY OUT DAILY LIVING ACTIVITIES OR MOBILITY ACTIVITIES

Margaret Curran (Glasgow East) (Lab): I beg to move amendment 43, page 56, line 40, at end insert—

'(7) Regulations shall exempt people with prescribed medical conditions from the requirement in subsection (4)(c), including in prescribed circumstances where the individual is—

(a) severely mentally impaired;

(b) a double amputee;

(c) deaf/blind;

(d) undergoing haemodialysis;

(e) severely visually impaired; and/or

(f) meets the requirements of special rules set out in Clause 80.'.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 76, in clause 79, page 56, line 45, leave out 'as respects every time' and insert

'as regularly as their disabling condition occurs'.

Amendment 44, page 56, line 45, leave out '6' and insert '3'.

Amendment 77, page 57, line 3, leave out 'as respects every time' and insert

'as regularly as their disabling condition occurs'.

Amendment 45, page 57, line 3, leave out '6' and insert '9'.

Amendment 46, page 57, line 15, leave out from 'previous' to second 'months' and insert

'3 months means the 3'.

Amendment 47, page 57, line 17, leave out from 'next' to second 'months' and insert

'9 months means the 9'.

Amendment 66, in clause 83, page 58, line 34, leave out 'meets the condition in subsection (2)' and insert

'is an inpatient of a hospital'.

Amendment 41, page 58, line 35, leave out '2' and insert '3'.

Amendment 42, page 58, line 40, at beginning insert—

'(3) The condition is that the person is an in-patient of a hospital.

(4) '.

Amendment 73, in clause 86, page 59, line 35, at end insert—

'(3) The Secretary of State must lay before Parliament a report on the impact of regulations made under section 83 within 12 months of the regulations being laid before Parliament.'.

Amendment 60, in schedule 10, page 140, line 25, at end insert—

'(3) The Secretary of State shall ensure that, in respect of any person whose award of disability living allowance is terminated on or after the appointed day, an award of personal independence payment is made without application, and that said award is not subject to the requirements of assessment in section 78(3) or (4), or subsection (2) of this section, until:

(a) The Secretary of State has commissioned an independent report, no less than six months after the appointed day, on the effectiveness of the assessment process as used on new applicants for personal independence payment, and;

(b) The Secretary of State has satisfied himself, having consulted with disabled people, that the assessment process is functioning correctly.'.

Amendment 74, in clause 91, page 61, line 13, at end insert—

'(c) the first regulations under section 83 containing provisions about the payment of the mobility component of personal independence payments to residents of a care home.'.

Margaret Curran: We have reached a vital stage in our consideration of the Bill. Government proposals for the reform of benefits for disabled people have been mired in controversy and bogged down by issues that the Government have failed to address, and they have alienated many organisations of and for disabled people. Sadly, instead of listening to and attempting to understand those concerns, the Government have dismissed them and undermined the traction that they command throughout the country. So much for the new politics! Instead of continuing the previous policy and the new approach of co-production practised with care and consideration by my right hon. Friend the Member for Stirling (Mrs McGuire) when she was the Minister with responsibility for disabled people, the Under-Secretary has been steadfast in her refusal to appreciate the issues brought to her, which I will detail. I fear that her approach has alienated the voices for reform in the disability movement and in this House. As a result, we are debating a huge missed opportunity for meaningful reform. However, we are where we are, and we will debate the proposals before us and our amendments to improve them.

Let me say a few words to provide some context. Although disability living allowance is a much respected and much valued benefit, it was designed in a different time, well before measures such as the Disability Discrimination Act 2005 and the Equality Act 2010, which were introduced by the last Labour Government and which have profoundly changed the way in which disabled people participate and are recognised in society today. I acknowledge that the application procedure to make a new DLA claim—the process of self-assessment whereby somebody has to fill out a long, and at times complicated, form—is not one that many people believe to be suitable in a modern welfare state. We therefore believe, and have said consistently throughout our deliberations, that it is right to reform DLA. We welcome the Government's decision to keep DLA as a non-means-tested, in-work benefit, and we think it is right to introduce a new, objective gateway.

Notwithstanding that, we feel that this Government have made profound mistakes and have missed opportunities in their approach to DLA reform. The whole process was kick-started by a rushed consultation. Apparently, according to the DWP website, it was one of the biggest of its kind, yet despite all those representations it yielded very few changes following the introduction of the Bill. The consultation was carried out over the Christmas and new period and was cut short. Perhaps most disappointingly of all, the Government chose to publish their proposals before it had even closed. No wonder this Minister, in particular, has a reputation for not listening. She will know that charities and the disabled people whom they represent have been highly critical of the process of reform. It did not have to be like that, and it is very disappointing that the Government did not undertake more groundwork to ensure that key stakeholders were a key part of the reform process.

While we take issue with the process of reform, we also have major concerns about its substance, and that will be the focus of my remarks. We now know that universal credit will halve support for disabled children and take away the severe disability premium for disabled people who live alone without a carer, yet put nothing appropriate in its place. Furthermore, part 4 outlines details of the new personal independence payment, with proposals to make disabled people wait half a year before they receive support and to take away the right of automatic entitlement for those with severely disabling conditions. The proposals are plainly chaotic and confused as regards the future of DLA mobility component for those in residential care homes.

Fiona O'Donnell (East Lothian) (Lab): My hon. Friend has referred to the Government not listening and not understanding. Does she share my utter dismay at what the Prime Minister said at Prime Minister's questions, when, on at least four occasions, he failed to acknowledge and understand what the Bill means, or even to see the difference between those who are terminally ill and those with cancer?

Margaret Curran: I could not agree more. It was staggering how ill-informed the Prime Minister seemed to be about the impact that the Bill will have on cancer patients. I will make reference to further experiences that cancer victims will have as a result of these proposals. There is worse news for them, as we will find out.

Our amendments seek to put right the wrongs in the Bill. They would make the personal independence payment a fairer, more effective and more workable component of welfare reform. That is incredibly important given the scale of the reform, with 1.8 million working-age people being assessed in just three short years. Let me begin with one of the most controversial elements of the Government's proposals and explain the key arguments behind our amendments to clause 83, which deals with the mobility component for those in residential care

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homes. That policy has attracted much attention and has been the subject of much debate inside and outside the House, yet the Government's position remains, I am sorry to say, far from clear.

The blanket cut to those living in residential care was first announced by the Chancellor in the comprehensive spending review: it is there on page 12 of the documentation that I have here beside me. For the record, that position has not changed. The cut was in the first Budget document, and it remains in today's Budget document. Granted, it has been delayed by six months, but it is still there. The proposal was met with an outcry from disabled people, disability organisations and the Opposition. Where was the Government's much vaunted compassionate welfare reform? Why single out this particular group? Why select perhaps one of the most vulnerable sections of society? We have heard much talk of reviews and overlaps, but let there be no mistake—unless clause 83 is amended, people living in residential care homes can have their DLA mobility taken away from them.

Let me draw to the attention of Members who may be thinking about how they will vote a briefing submitted by several charitable organisations, which says that while the Government are no longer planning to remove DLA mobility from people living in residential care, they are planning to remove PIP mobility. Members should be careful to remember that if the Government say they are not removing DLA mobility, the Bill as it stands will remove PIP mobility.

Duncan Hames (Chippenham) (LD): I accept the hon. Lady's observations about the confusion over the Government's intentions. I think she just said that the Bill will remove PIP mobility. Is it not the case that the Government could bring forward regulations to remove PIP mobility? What we have to determine this afternoon, and what I hope Ministers will give us assurances on, is whether that is the Government's intention.

Margaret Curran: I thank the hon. Gentleman for his comments. I know that he takes a great interest in this matter. That is exactly the point I am about to address. Our purpose this afternoon is to prohibit the Government from ever taking away PIP mobility from those in residential care. I hope that I can win his support, because I know that he has a genuine interest in this matter. I hope he bears with me, and I will gladly allow him to intervene again.

Sir Peter Bottomley: Just to put it in plain English, are we agreed across the House that the mobility allowance, as it used to be called, should be available to people who happen to live in a residential home, rather than in their own home, whether their home is within a residential home or they are living in a block with others?

Margaret Curran: Yes, that is what we agree on. Our amendments would ensure that the Government do not have a blanket power to remove PIP mobility from people because they live in residential care. If Members agree with me, they should vote for our amendments. I will go through the arguments again, and hopefully that point will be clear.

Ian Paisley: Does the hon. Lady agree that what will be foisted on people tonight if we are not careful is a sleight of hand whereby, from March 2013, people will be moved across duplicitously from DLA to PIP, and then PIP will be withdrawn? Of course, DLA will not be withdrawn because it no longer exists. That sleight of hand should be rejected outright by this House.

3.30 pm

Margaret Curran: This is getting embarrassing because, again, I could not agree with the hon. Gentleman more. He made the point perfectly. I commend him because he too takes a strong interest in this matter and has argued passionately for his constituents.

Unlike the Government's position on DLA mobility for those in residential care homes, Labour's position is crystal clear, as are our amendments. The Government must not remove DLA mobility for those in residential care and must delete the part of clause 83 that sets out to do just that. When I say "DLA mobility" throughout my remarks, I also mean as it applies to PIP mobility.

There have been many warm words from the Minister on the Government's plans on DLA mobility, but they come as little reassurance to disabled people when they realise that absolutely nothing has changed since the cut was announced. The clause remains unamended and the cut remains in the Budget book. Some 80,000 disabled people continue to be under threat of losing out at the hands of this Government. Warm words, yes; a change in policy, no.

When justifying this cut, the Minister explains that it is about removing the overlap in provision. She has described a situation of chaos in the residential care sector in relation to this benefit, but hon. Members and charities have heard little or no evidence to substantiate that claim. Furthermore, she knows as well as we do that she does not need clause 83 to remove any overlap there might be in the provision of services to support the mobility and transport needs of care home residents. She already has the power to set new eligibility criteria. Such criteria could remove any overlap in funding or inconsistency in practice and ensure that the mobility component of DLA is used appropriately—I presume that that is the reason for her concerns about overlap. If care homes or local authorities are using the mobility component in a way that is not appropriate, she should address it head-on with the care homes and local authorities.

Bill Esterson: My hon. Friend is making an extremely good case. One of my constituents has said that if the mobility component of DLA is taken away, it

"will make a prison of my son's care home".

A wider issue that has been raised by many constituents is that people may be in care for many years with considerable mobility needs and that the care home needs the extra resources to get them beyond the front door.

Margaret Curran: I thank my hon. Friend for drawing our attention to his constituents' concerns. I am sure that he, and all Members, will bear that experience in mind when we vote this afternoon. I appeal to Members to consider the significant needs of people who live in care homes. That should direct us in how we vote.

Mark Durkan: Does the hon. Lady agree that many people will be perturbed and confused by the fact that the Government are derelict on the real crisis affecting care homes in funding, ownership and stability, but are diligent in trying to claw back the pittance that some people in those care homes receive, based on the myth that there is some financial West Lothian question whereby people are being paid out of one fund and also getting money out of another?

Margaret Curran: The hon. Gentleman makes his point with great passion. We must bear in mind the context in which this decision is being taken and the scale of resource that is involved. I have to say to him that we have found no evidence of great concerns about the practice of care homes and local authorities on the matter. The Minister has not presented any such evidence to us or to charities, and we cannot see where the great worry or cause for concern is.

George Hollingbery: I have just a small point. I think I heard the hon. Member for North Antrim (Ian Paisley) say that PIP was being withdrawn after the change from DLA. I believe the hon. Lady will confirm that we are talking about the mobility component, not PIP in its entirety.

Margaret Curran: If I made that mistake, I am very grateful for the opportunity to correct it. We are talking about the mobility component of DLA, which will be transferred to PIP. I will come on to broader concerns about PIP later, but I thank the hon. Gentleman.

I was talking about how the Government are addressing the issue of overlap and introducing a review. I assume that part of their concern is the need for greater consistency in how funding for people who live in residential care is arranged. I put it to the Minister directly that if there needs to be greater consistency in how the transport and wider mobility needs of residents are addressed, she should issue the appropriate guidelines to care homes. Whatever she chooses to do to address the matter, it is plainly wrong and irresponsible to make victims of the residents themselves by the blanket withdrawal of a benefit to which they are legitimately entitled.

The core of the argument, which should determine how we vote today, is that the power in clause 83 is necessary only if the Government want to remove payments solely on the basis that someone lives in a residential care home. If that is not the aim, we need to change the Bill.

Stephen Lloyd (Eastbourne) (LD): On that point, does the hon. Lady agree that under article 20 of the UN convention on the rights of persons with disabilities, on personal mobility, and article 31 of the UN convention on the rights of the child, removing the mobility component from children in residential homes may amount to a breach of the UK's obligations in human rights conventions?

Margaret Curran: That is a very interesting observation, and I thank the hon. Gentleman for drawing it to the House's attention. I know that he takes a great interest in these matters. That point gives us even more reason to argue that Members should support the amendments—they would avoid any problem of that nature.

When the Minister is not talking about "overlap" in an attempt to address the problem in question, she is talking about the need for a review. It was promised that the review, first announced earlier this year, would look into the provision of DLA mobility to those in residential care homes, which I know offered some succour to Members who were concerned about the matter. Labour Members were mildly optimistic that that was a signal that the Government were undertaking a rethink, as we know they are prepared to do when the time is right. However, we have been sadly disappointed. Although a review was launched, it has no time scale, there are no terms of reference, no review group has been established and there is no involvement for disabled people. No wonder people are confused about where the policy stands.

I remind the House that at Prime Minister's questions on 23 March, the Prime Minister offered the Leader of the Opposition an opportunity to contribute to the review. I do not think that possibility actually exists. Have the terms of reference of the review been made public? No. Will the findings be published? No. This is not a review, it is, as the hon. Member for North Antrim (Ian Paisley) said, a delaying tactic to cover up a deeply flawed policy. In my wilder moments I thought it was perhaps an appeasement of some Liberal Democrat Members, because we know that their party conference overwhelmingly passed a resolution condemning the policy. The Liberal Democrats in Committee disappeared when the matter was voted on. They are here today, so I hope they will join us and help to defeat this particularly pernicious part of the Bill. I appeal to them to make their presence felt today in a way that they did not in Committee.

Ian Paisley: Does the hon. Lady agree that throughout all of this—no matter how it is dressed up or how Opposition Members are criticised—the policy is about doing one, well named thing? It is about making the pips squeak among the most vulnerable in our country. That is another reason why it should be opposed.

Margaret Curran: This is embarrassing, because hon. Members are putting the argument so much more effectively than I am.

To conclude on this section of my contribution, may I make an appeal to Members of the House? We have a moment in time. We are being watched by disabled people this afternoon, and by their organisations. This goes to the heart of what we are about. People will be prisoners in residential care and prisoners in their own homes if this provision is removed from them. Many opportunities for them will also be withdrawn. I appeal to hon. Members: let us do the right thing this evening and vote for amendment 43—I also intend, Mr Deputy Speaker, to press amendments 42 and 44 to a Division when the time comes.

I shall now discuss specific aspects of the personal independence payment that should be changed to make the new benefit fairer and more effective in giving support to those who need it, and to assist a smooth transition for existing claimants to the new benefit. Amendments 44 to 47 seek to amend clause 79 and the proposed change to the required period condition for PIP. The amendments would retain the three-month period that claimants must wait before they are eligible

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to receive PIP, but would extend the period over which a claimant must show that they will be with that disability from six months, as is currently the case with DLA, to nine months.

In other words, for those who have not followed every single detail of the Bill like those of us who served in Committee, like the Government intend, the Opposition would extend the current DLA required condition period from nine months to one year for PIP. However, the Opposition would extend the provision after receipt of the benefit, not at the beginning. To do otherwise would be to penalise unfairly those disabled people who need extra help associated with their disability early in their treatment.

Yet again, there is some confusion about the rationale behind the change in the waiting time for PIP. In Committee, the Minister said that the change was categorically not about savings. She clearly stated:

"I will be honest and open with my answer. I would like to reassure the hon. Lady"—

meaning me—

"that the principal aim of extending the qualifying period from three to six months is not about savings. We do not expect the measure to provide any significant savings."—[*Official Report, Welfare Reform Public Bill Committee*, 10 May 2011; c. 848.]

Furthermore, I have asked the Minister in a series of written parliamentary questions what the projected savings are. Again, her Department was unable to provide any sort of answer—nor do its answers so much as allude to potential savings resulting from this policy decision—yet at Department for Work and Pensions questions on Monday, the Minister appeared to backtrack, stating that "modest" savings were now part of the reasoning for pushing ahead with the change. In her response today, will she indicate the scale of those modest savings? It is a little concerning that the rationale behind changes that will make such a big difference to the lives of many disabled people in this country is, even at this late stage, being cobbled together by the Government.

If we cannot comment on savings from the policy, we can at least discuss its impact on disabled people who require PIP to help them to meet extra costs associated with their disability. In Committee, we discussed in great detail the different conditions that are likely to require early support, so I will not go into them in great depth today unless pushed to do so.

Jim Shannon: The hon. Lady has clearly outlined the issues in relation to the qualifying period. Is she aware, as many in the House are, that for people in poor health, it is a time of stress and anxiety? The Government are talking about increasing the qualifying period when people are under the most pressure regarding their health, so putting them under additional, financial pressure. Does she feel that such financial pressure will impact on people's health at a time when they need less pressure and more help?

3.45 pm

Margaret Curran: The hon. Gentleman makes a very strong point. The Macmillan cancer charity, which has already had an airing in the Chamber today, makes strong representations about the impact that financial worries can have on health, including leading to a deterioration in health. It is therefore especially pernicious that the Government have come forward with this policy. Cancer and stroke victims will suffer severely from this, because they can have major changes in costs very early in their conditions. Cancer and stroke victims may not be terminal, but they can still have great needs and society needs to support them in working through the terrible and difficult circumstances they are experiencing.

Fiona O'Donnell: Does my hon. Friend agree that this is about more than the entitlement to DLA or PIP: it is about all the other benefits that that triggers, including carer's allowance so that a whole family can be supported through that difficult time?

Margaret Curran: Indeed, and for those of us who have experience of how families struggle through family illness on lower incomes, we know how important that is. We do not want to have a society in which people who are struggling with major illnesses have to worry about how they will meet their family bills.

Cancer and stroke victims usually require help early in their conditions. As of August 2010, some 195,000 people were receiving DLA for a malignant disease or a stroke-related condition. Many in this group who are of working age may well be the very individuals who will be affected by clause 79 and the decision to lengthen the qualifying period to six months.

The extra costs will vary from individual to individual, but we can safely assume that they include key criteria such as extra fuel costs, costs associated with aids, adaptations and special diets, and extra costs of washing clothes and such like.

Dame Anne Begg (Aberdeen South) (Lab): On the issue of extra fuel costs, one reason why the last Government—followed by this Government—said that they would not extend the winter fuel payment to those with disabilities was that it was already covered in the payments received under DLA. If the people who move on to PIP do not get those payments, they will be disadvantaged.

Margaret Curran: I thank my hon. Friend for that point, which reinforces why we should not accept the Government's proposals and instead vote for this amendment. Simply to shrug aside the points that have been made or—as I suspect the Minister will argue—to pass on the obligation for meeting these costs to local authorities that are already feeling the strain of funding would be unfair and a great insult to many victims. Cancer patients are already the victims of the decision to time-limit the contributory employment and support allowance to just one year, as the Prime Minister now understands. Why should they be punished yet again at the hands of this Government when it comes to reforming DLA? We had controversy this morning about how cancer patients are being treated by this Government and now we have more concerns and more difficulties for cancer patients.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): As it is carers week, it is also important to remember that when someone is having treatment in a hospital that may be some distance from home, there is also an

impact on family members, who end up taking time off work and have to pay high travel costs. That has an impact on the whole family's income, not just the person who is suffering the illness.

Margaret Curran: Indeed, and there is often an impact on the wider family, not just the immediate family.

We believe that the Government are misguided in their decision to lengthen the time disabled people must wait before they are given support. The Government are also wrong to remove automatic entitlement for certain severely disabled people who currently have the automatic right to receive the higher rate of DLA. At the moment, the severely mentally impaired—that is the language that is used—double amputees and those who are deaf-blind, undergoing haemodialysis or are severely visually impaired are automatically able to receive higher rates of DLA. Under the Bill, however, only those with a terminal illness will automatically receive PIP. Obviously I welcome the Government's commitment to protect the terminally ill, but we believe that this obligation does not go far enough. Amendment 43 would ensure that those with a severely disabling condition, who are currently eligible for automatic entitlement, would retain that right following the introduction of PIPs.

It is important that we keep in mind the group of people whom we are talking about in the amendment. Is the Minister planning to inform the House today that an individual who is severely mentally impaired or a double amputee might not now be eligible for the higher rate of PIP? That would be quite an announcement. What reason is there to force this group of severely disabled people to undergo an assessment process of which we can all safely predict the outcome? We now know that the Government plan to spend £675 million on establishing PIP, on the bureaucracy of PIP and on the reassessment of 1.8 million working-age recipients of disability living allowance.

Jeremy Corbyn: Does my hon. Friend have estimates of the cost of each of these interviews that will have to take place; of how many will be unnecessary; of how many will be appealed successfully; and of the incredible stress and hardship through which individuals will be put while knowing full well that unfortunately they can never get a job or go to work, and that they will have to be in receipt of benefits in the future?

Margaret Curran: I am afraid that I do not have specific numbers to hand, but I will make it my business to get that information because it would be very interesting. I am sure that some organisations could help us estimate those numbers and the different categories that my hon. Friend highlighted. He outlined a common-sense approach. It makes no sense to put these people through this stress, or to add to the bureaucratic costs of administering the process, when that money should be going to the disabled people themselves.

In a time of economic restraint, I am sure that everyone on both sides of the House agrees that this is a huge amount of money to spend on administration, so we should consider opportunities to reduce the costs. It is absurd to propose reassessing conditions that will clearly be eligible for the new PIPs. I have asked how much it will cost, and I will try to get answers—perhaps the Minister can give them in her reply. If the argument for retaining automatic entitlement is rooted in the avoidance of needless assessment, it is also grounded in the goal of appeasing the anxiety of many disabled people about having to undergo reassessment for PIP eligibility. As I am sure my hon. Friend the Member for Islington North (Jeremy Corbyn) knows, one of the biggest concerns disabled people tell us about is the constant reassessments they have to undergo, despite it being obvious to everybody that they have a disability. They are needless assessments.

Mark Tami (Alyn and Deeside) (Lab): Does my hon. Friend agree that problems are also created by the period disabled people have to wait before an assessment and the consequent stress and worry? They read newspapers that convince them they are not going to get the benefit, and their overall state worsens as a result of this whole exercise.

Margaret Curran: Yes, absolutely, and we have an opportunity here to minimise that stress and to address the problems. I strongly believe that we should take that opportunity.

Mark Durkan: Does the hon. Lady recognise that many people are concerned that as the costs of administering the assessments emerge and escalate, they will be met not by scaling back the arrangements, but by tightening the criteria and reducing the benefits awarded?

Margaret Curran: I acknowledge that many disabled people and disability organisations are extremely concerned about that, given the Government's track record on this. We cannot underestimate or brush aside the level of anxiety of many people in this country about the reform of DLA. Many people find incredibly stressful and worrying the prospect of having to go through a new face-to-face assessment to prove their disability, despite it being abundantly clear, in order to receive help.

It is the Government's job to assure disabled people that the introduction of PIPs—I know that the Minister tries to do this—will not mean the end of financial support for disabled people. Given the Minister's efforts on that, I plead with the Government to go that extra mile to assure disabled people that the process is about meaningful reform of an important benefit, rather than an attempt to remove it from those whom they can get away with removing it from. One way the Government can do that is by ensuring that the most severely disabled members of our society do not face needless upheaval and uncertainty over the future of support following the introduction of PIPs.

Stephen Lloyd: I understand where the hon. Lady is coming from, but does she agree that the Government have made good progress by bringing in Professor Harrington to ensure that the test—which, to be honest, we inherited from the previous Government—is improved?

Margaret Curran: That test was introduced for the work capability assessment and the application of employment and support allowance, as the hon. Gentleman knows. Of course I acknowledge that the Minister is working with disabled people to try to ensure that the test is as effective as it can be, but I have to tell the hon. Gentleman and the Minister that most disabled people are saying that they are not satisfied. I do not think that reassurances have been given that the test is right yet.

[Margaret Curran]

None the less, what I am talking about in this debate is automatic entitlement, which is a different issue. Even if the test were perfect, which would be very hard to achieve—we are very far from that—putting people through needless assessments, all at a cost, would still not be worth it when they are clearly disabled. Retaining automatic entitlement for severely disabled people would be a small step, but would enable the Government to send out an important signal to show that they are listening and that they get some of this. The big cry coming from disabled people is that there has been no shift from the Government and no signals, and that they do not get it.

Amendment 60, which is our final amendment in the group, would ensure that the process of reassessment will result in an orderly, careful and efficient transition for working-age claimants. As I have said before, we need to keep in mind the scale of the exercise that the Government are proposing to undertake. We are talking about reassessing 1.8 million working-age people on DLA in the space of just three years. To meet that goal, the Government would need to reassess—I can assure my hon. Friend the Member for Islington North that I do have the figures for this—roughly 600,000 people, which is 11,500 people a week or more than 2,000 a day. That is the scale of the process that disabled people will have to go through.

Given the scale and depth of concern about this issue, our amendment 60 proposes that checks and balances be written into the Bill to ensure that lessons are learnt as reform develops—we have tried to learn some of those lessons ourselves—and that the teething problems of assessment are addressed and disabled people have the confidence that reform will work for them. Amendment 60 would embrace this opportunity to send out a clear message that we will learn from mistakes in the system and iron out anomalies in the assessment before we start to assess some of the most vulnerable people currently receiving DLA, by ensuring that only new applicants are assessed first. That is what the safeguard would do. Amendment 60 is fair and proportionate. We are not saying that reassessment is wrong; we are simply saying that it needs to be done properly and carefully, and that it should be phased, with the Secretary of State playing a key role in the process to ensure clear scrutiny and accountability.

The amendments would ensure that the personal independence payment was a fairer, more effective and workable reform. As I set out in my introductory remarks, the Opposition support reform and the principles of reform; however, the Government have wasted a significant opportunity to introduce such reform. If the universal credit penalises families of disabled children by halving the support available to them; penalises severely disabled people who live alone by neglecting to replicate the severe disability premium or the personal independence payment; penalises disabled people in residential care homes by removing their DLA mobility component; penalises disabled people by making them wait six months before they receive the support that they need; and creates uncertainty and needless anxiety for the most disabled people in our society by removing their automatic entitlement to the new benefit, is it any wonder that we are opposed to this Bill?

Jenny Willott (Cardiff Central) (LD): I rise to speak to the amendments tabled in my name, which focus on the mobility component of the disability living allowance for those in care homes. We have already heard a lot about that from the hon. Member for Glasgow East (Margaret Curran). Amendment 74 asks for the regulations on this issue to be dealt with under the affirmative, rather than the negative, procedure. Amendment 73 asks for a report on the impact of the changes after one year.

4 pm

There were many concerns across the House when the Government announced their original plan to remove the mobility component of the disability living allowance from all those in care homes. Concern was expressed particularly about young people in boarding schools and residential care, and about the impact on parents who have to meet extra costs associated with their child's disability, whether or not they are in residential care. For example, they might need to meet the additional cost of an adapted or expensive car to transport the young person around. Concern was also expressed about the impact of the proposal on older people in residential care, and it is that issue that seems to have taken off, rather than a focus on younger people.

The Government have listened, however, and they have said that they no longer plan to remove the mobility component of the disability living allowance from all those in residential care. Instead, they have made it clear that they intend to tackle instances of overlapping funding, such as when a local authority is providing funding for someone's mobility needs directly to a care home and the individual is also getting DLA. I hope that the Minister will confirm that that is the Government's intention, because it is important to be clear that we are tackling the overlap of funding rather than entirely removing mobility support from people in care homes.

Fiona O'Donnell: Under the hon. Lady's definition of overlapping provision for mobility needs, would she settle only for what we would expect anyone living in the wider community to have—namely, complete freedom of choice and access to transport to assist them when it suits them?

Jenny Willott: I am about to come to my understanding of that point. Obviously, it is up to the Minister to determine her definition, and I am sure that the hon. Lady will be able to comment on what the Minister has to say later.

I am also glad that the Government have put on hold the plan to introduce this change while comprehensive research is carried out. Any decision needs to be based on solid evidence, and it has become clear that no research has been done in the past, so no such evidence has been available so far.

Margaret Curran: To the best of her knowledge, can the hon. Lady identify two examples of where overlap is a problem? Does she think that the review should be widened to involve disabled people? Does she also think that its findings should be published?

Jenny Willott: I have just made it clear that no research has been done in the past, so there has been no evidence up to now. I have absolutely no idea what

evidence the Minister has found, but I am sure that she will be able to give the House more information on that and answer the hon. Lady's question. Not being part of the research team, I cannot give the hon. Lady any examples of overlap, but I am sure that the Minister will be able to provide more information about that later.

Margaret Curran: May I ask you to address the second part of my question, which was about the review? There are serious concerns that the review is not being made public and that we do not know its terms of reference. I presume that you know its terms of reference, since you support the Government's proposals. Could you perhaps explain them to the House?

Jenny Willott: I think she means "the hon. Lady", rather than you, Mr Deputy Speaker. This is obviously an issue for the Minister to address later, particularly in regard to the terms of reference. I do not believe that it would have been appropriate for disabled people to take part in the research, because it is my understanding that this is an information-gathering exercise—

Simon Danczuk (Rochdale) (Lab): Shame!

Jenny Willott: The hon. Gentleman shouts "Shame", but this is an information-gathering exercise to obtain evidence on the basis of which a decision can be made. At that point, it will be appropriate for people to be consulted. When we know the evidence base, and what options are open to the Government, it will clearly be appropriate to consult. At the moment, the Government are communicating with local authorities to find out what funding is in place, and disabled people are probably no more aware of that than I am. It would not be appropriate, while gathering that information, to consult. Afterwards, when we have the evidence on which to base a decision, it will become appropriate to consult on the options.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I have to confess that I am astonished to hear the hon. Lady suggest that disabled people would have nothing to add to an information-gathering exercise. Would she support postponing the proposals until we have clarity on what the review will involve, to ensure that everyone with a view is able to put their view forward?

Jenny Willott: The hon. Lady completely misrepresents my words. I absolutely did not say that disabled people have nothing to add to this. I said that the Government are undertaking an information-gathering exercise so that we have an evidence base on which to look at the options for the Government to take forward. At that point, people with disabilities and others affected would, I hope, have an opportunity to be consulted and to participate in discussions. At the moment, it is my understanding that the Government are gathering information to provide the evidence that has been lacking. I have to say that I was taken aback to find that the previous Government had never done research to enable us to understand what funding is made available to care homes and what is made available to people through disability living allowance. Providing such evidence is seriously overdue.

Several hon. Members *rose—*

Jenny Willott: I give way first to the hon. Member for North Antrim (Ian Paisley).

Ian Paisley: I am grateful to the hon. Lady, who is being very good and lenient with her time. On the issue of overlapping, which was raised at the start of her comments, I want to point out that the disability living allowance as currently constructed is a non-means-tested benefit. Overlapping implies that there should now be a means test. If part or all of someone's benefit were to be taken away, means-testing would be necessary. Is the hon. Lady saying that she will support a provision that would introduce a new means test by stealth?

Jenny Willott: I do not believe that this is about means-testing of benefits. It is about looking for sources of state support or Government funding for the mobility needs of individuals with disability. It is about looking at the different sources of money to ensure that it is provided evenly to people with disabilities so that their mobility needs are covered.

Simon Hughes (Bermondsey and Old Southwark) (LD): I understand where my hon. Friend is coming from, as she and I are signed up to the same position. Let me confirm that her position and mine is the one agreed at our party conference only a few months ago—*[Interruption.]* Let me put it on the record that the conference called

"on the Coalition Government not to remove the Mobility Component completely and to ensure sufficient funding for the mobility needs of those who cannot afford to fund their needs themselves"

and

"to ensure that any reductions to the Mobility Component are based on clear evidence that the cost of that support is provided via other funding means."

That is where we stand, so I ask my hon. Friend to confirm that that is why she is making sure that the Government will end up standing there, too.

Jenny Willott: That is exactly the position that I am putting forward. I am concerned, because clause 83 still leaves it open for Ministers to cut the mobility component for those in care homes. As a number of Members have made clear, the concern about that is considerable.

Dame Anne Begg: I appreciate that the hon. Lady is trying to get the Government off the hook by supporting this review, but the original proposal came forward in the coalition Government's first Budget—almost a year ago. Is she not as surprised as I am—if not shocked—that the work that she now advocates was not done before the proposal was made in the first place?

Jenny Willott: To risk the wrath that has been incurred by some colleagues on my side, I have to confess that I was somewhat surprised about that, but I also think it should have been done by the previous Government as well. It is pretty shameful that we have no understanding of where the funding for these costs has come from.

Several hon. Members *rose—*

Jenny Willott: I am afraid that I am not taking any more interventions, as many Members want to participate in the debate and I do not want to run out of time. I am sure that those who have further comments will attempt to catch your eye, Mr Deputy Speaker.

We must not underestimate how important it is for people to be able to get out and about. I appreciate that those in residential care often do not have as many mobility needs as some people living on their own. For example, they do not need to shop regularly for food as it is usually provided, and they often do not need to make arrangements to get to a doctor's appointment or the hairdresser's because those services are often provided in the care home. However, they often need to shop for things other than food—for clothes and personal items—and they need to be able to maintain contact with friends and family. Younger people in residential care may often be in work and need to travel in and out of work as well. They have needs that need to be funded. It depends on the disability, but often public transport is not an option, so people rely on expensive taxis, on Motability scooters or on having access to their own vehicle, all of which add significant costs.

It is important that people have independence, keep up their social lives and live a full and valuable life. That is not possible on the £22 a week that people in residential care would be left with if they did not have the mobility element or any other support for their mobility needs. Although this part of the Bill is about PIPs, which will apply only to those who are over 18, I would be grateful if the Minister clarified the Government's intention about extending PIPs to the under-18s, too, and whether the provisions will apply to families and young people with disabilities who are under that age.

My amendments would ensure that this important issue is decided by affirmative resolution, enabling proper parliamentary scrutiny, and that its implementation is monitored effectively through the production of a report after enough time has elapsed to show the impact and the effect. It is clear to me from the totality of the Government's proposals that affect people with disabilities that the Government do not intend to restrict the independence of individuals. The move towards personal independence payments from disability living allowance goes in quite the opposite direction. We had a number of debates in Committee about the increased emphasis on individual needs and independence, and I sometimes found the Minister's emphasis on taking every person as an individual and assessing their individual needs somewhat frustrating. Sometimes in debate it is easier to consider groups of people, but it is clear that the Minister's intention is to consider individual needs and to take them into account when making decisions, as well as to ensure that individuals have independence.

Stephen Timms: The Minister has said that she does not envisage the results of the review being published. If I understand the hon. Lady correctly—she is making some telling points—she envisages the review being published so that there can be consultation. Will she confirm that she disagrees with the Minister on that point?

Jenny Willott: I have no idea whether the review will be published. I was commenting on the fact that the options on PIPs and DLA for the future should be consulted on. The Bill simply states that that will be decided in regulations, which is one reason I tabled an amendment requiring them to be subject to an affirmative resolution. The decisions will be made by regulations, which means that there is a further decision-making point. The Government will be able to publish their regulations and their intentions once they have done the information gathering and considered the funding situation across the board. At that point, I would like to see some broader involvement of people who are affected by these decisions. We will then have the information when we make a decision.

Fiona O'Donnell *rose—*

Jenny Willott: I will give way one more time.

Fiona O'Donnell: The hon. Lady is very generous in giving way. How will this review, report and gathering of information apply to the devolved Governments of the country? How can the Minister possibly influence social care policy and NHS policy in the devolved Governments?

Jenny Willott: I am afraid that I shall disappoint the hon. Lady, but that is an issue for the Minister. I do not know what discussions the Minister has had with the devolved Administrations. I am a Member of Parliament for a Welsh constituency, so the issue clearly affects my constituents, too. I am sure that some discussion is going on, but the hon. Lady can ask the Minister to respond to that question.

A number of other issues are covered by the amendments before the House and have already been raised by the hon. Member for Glasgow East (Margaret Curran), including how the Government handle fluctuating conditions and the assessment requirements for PIPs. We have had a number of debates about fluctuating conditions, not least in a Delegated Legislation Committee yesterday afternoon which was attended by many Members who are in the Chamber this afternoon. Fluctuating conditions are hard to manage in the benefits system. As has been mentioned, Professor Harrington is doing work on descriptors for the work capability assessment for fluctuating and mental health conditions and on how the assessments can be improved to take them into account. I hope that the Minister can reassure us that the Government are learning the lessons from the mistakes made in the work capability assessment and that we do not replicate them when the new PIP assessment is introduced.

Jeremy Corbyn: Will the hon. Lady give way?

4.15 pm

Jenny Willott: I am afraid that I will not, as I am aware that a lot of people want to speak.

I flagged up my concerns in Committee about whether there are some people for whom face-to-face assessments are not appropriate, and I was reassured by the Minister's response, as she clearly accepted that they are not appropriate for everybody. She intends to allow Jobcentre Plus advisers discretion to consider individual cases and the Government seem to be thinking about taking the same approach to the need for ongoing face-to-face assessments. As long as there is discretion and an acceptance

that such assessments are not appropriate for everybody, I hope that decisions will depend on the discretion and common sense of Jobcentre Plus advisers. Will the Minister reconfirm today that the Government are taking a slightly flexible approach?

The final issue that I want to flag up is that of sudden-onset conditions such as cancer, stroke or accidents, which the hon. Member for Glasgow East has mentioned. Such conditions are very different from conditions that gradually worsen. They do not give people time to adapt mentally, emotionally or financially to their new circumstances and in addition to the trauma of coping with diagnosis there are large up-front costs that start almost immediately. There might be a sudden loss of income and there is the cost of travel to and from hospital for regular treatments, as well as parking charges and new equipment that is needed. Such costs seem to be just the sort of thing that disability living allowance was designed to fund.

The change from three to six months before someone can apply for the new personal independence payment might hit those people the hardest, because they have to pay those costs so immediately up front. I understand that that group of people form a very small proportion of those who are currently on DLA—around 6%, I think—so it would not be expensive to treat them differently. There are knock-on implications for that group, as their carers will not be able to apply for carer's allowance unless they have DLA, so both the claimant and the carer could lose income. I raised this issue in DWP questions on Monday and the Minister was kind enough to say that the Government are looking into the issue. I hope that they will look at what can be done to ameliorate the situation for that small and distinct group.

I welcome the Government's moves to take into account concerns about the removal of the DLA mobility component, and although I welcome the decision not to push ahead with the original proposal to remove it entirely, I think the Bill leaves the door open for that to happen in future—perhaps not under this Government but under a future one—so I believe that any changes should pass through the House via affirmative resolution. I also believe that the situation needs to be monitored closely to ensure that we are protecting and enhancing the lives of some of the most vulnerable in society.

Dame Anne Begg: I suspect that many hon. Members will want to speak particularly about the removal of the higher-rate mobility allowance from residential care, so I shall not talk about that in any detail, but I think it is merely the top of a very pernicious iceberg, and the proposed amendments attempt to allay our concerns on that. This issue has captured the public imagination because it seems so grossly unfair and because people cannot understand what kind of Government would take away the independence of the, by definition, most disabled people in our community because they happen to live in a residential home or, for those whose families might lose access to an adapted vehicle, because they happen to go to a residential school.

I want to look more widely at the Government's reasons for seeing fit to wipe away everything that was the DLA and bring in a new benefit called the personal independence payment. Let me address the Government's analysis, or rather their argument—I should not have said analysis because part of the problem is that there has been no proper analysis and it is very difficult to get any data to suggest that some of what they have said is true; that might be the case for individual cases, but it is not widespread. The fact that the hon. Member for Cardiff Central (Jenny Willott) had to ask for some of those data may show that the Government lumbered into the whole area without knowing the details, and that their proposals were based on some perception of prejudice, or the need to save money, a point to which I shall return.

What were the criticisms that the Government laid at the door of DLA? They said there were no regular reassessments. That is easy to sort. We can put in regular reassessments for certain people. The Government said that too many people were getting DLA for life. Is that too much of a problem? If a person is quadriplegic after a cataclysmic accident, I am not sure they will get better. The reason many people who at present depend on DLA are so frightened by the changes is that they have an award for life; they do not have to worry about more reassessments. They have gone through assessments. They know they are profoundly disabled. Anybody looking at them can tell they are profoundly disabled, so why on earth do they yet again have to go through an assessment?

Another criticism of DLA was that some people were getting it automatically based on their condition. I challenge the Minister to tell us what it is about the condition of people who cannot feed themselves, cannot dress themselves, cannot move from one seated position to another, cannot walk or go to the toilet themselves that means they have to be assessed for their need for extra costs for care and mobility. I cannot think of a reason. Why should there not be an assumption that those individuals have their extra costs for care and mobility covered by DLA? That is what it was all about.

The Government's main argument was that DLA was not well understood. That is not my experience from talking to people who receive DLA. It was one of the few benefits they did understand. DLA was for the extra mobility and care costs associated with disability. Compare that to the confusing rules for tax credits, or the in-work benefits or disability premiums associated with jobseeker's allowance, employment and support allowance or incapacity benefit. We could look at contributory ESA as well. Those are confusing. The one benefit for disabled people that was clear—they knew what it was for—was disability living allowance. That is what they tell me and I am sure it is what they have told the Government. The vast majority of responses to the Government's consultation made exactly that point: people valued DLA so greatly that they were frightened they might lose it.

Another criticism the Government have made of DLA is that the form was too long and complicated. That would be easy to sort. Make it shorter, make it less complicated and maybe put it online. There were solutions.

Those are the main criticisms of DLA that the Government have come up with, but none of them could not have been solved by some changes to the existing allowance. It did not require the sweeping away of DLA and its replacement with a new benefit, with new criteria. If the criteria were out of date, some of them could have been changed, but there was and is no need to change all of them. People who depend on DLA at present as a large part of their income are

[Dame Anne Begg]

terrified, because they do not know what lies ahead. If the system is as bad as, according to the Government, it is at the moment, those people are worried that whatever the Government come up with will not be suitable for their needs. I have to tell the hon. Member for Cardiff Central that the previous Government did not collect data on double-funding mobility allowance in care homes, because they were not advocating the removal of DLA from that group of people.

The things that are particularly good but often forgotten about DLA include the fact that it is an in-work and out-of-work benefit. That element will become increasingly important as the Government proceed with their welfare reforms to put work obligations on people with profound disabilities. Anyone who is not assessed as being in the support group for ESA will have a work obligation. However, if those who end up in the work-related activity group find that they no longer qualify for DLA, it will be all the harder for them to find a job or to do the work-related activity that the Government expect them to do, because the extra financing to make that possible will have been removed.

The best thing about DLA was that we had for the first time in this country a benefit that followed the social model of disability, rather than the medical model. There is a worry that the clock will be turned back. The Government call their new benefit the personal independence payment, but DLA was a personal independence payment, so they did not need to change the benefit. DLA is personalised and represents what the Government say they want the benefit system to be because it is a dynamic benefit, which means that it helps people to lead an independent life by going out to work, visiting friends and doing all the things that everyone else takes for granted. Such independence includes the ability to live in the community, which can be achieved if a person can buy in care and get someone to come in to look after their care needs. All those things exist under DLA, so why is there a need to make a fundamental change to something that was not broken? Why fix something that was working reasonably well? No one would have complained if the Government had done a bit of tweaking, but such a fundamental change makes people especially worried.

The Red Book states that the Government want to cut 20% from the DLA budget. That means that the pot will be 20% smaller, but given the cost of reassessing everyone, about which we have heard today, the reduction in payments will be more than 20%, because some of the money that would have gone to disabled people so that they could live their lives will be invested into the private company that will carry out the reassessments. Given the difficulties of the ESA, there is suspicion about the accuracy of the reassessments. Even though Professor Harrington has made recommendations, there are still fears and worries about the way in which the work capability assessment is working, and disabled people's experience of that assessment makes them especially worried about what will happen under PIP.

Fiona O'Donnell: Does my hon. Friend agree that anxiety is especially high among people with mental health problems? We have recently heard reports of a number of suicides, so we need to be able to offer people reassurance about the process.

Dame Anne Begg: My hon. Friend is absolutely right. Perhaps I should now speak to amendments 76 and 77, which I tabled as an attempt to ensure that fluctuating conditions—mental health problems are often fluctuating conditions—are properly recognised.

Mental health organisations throughout the country are deeply concerned about clause 79, which makes provision about whether an individual will qualify for a personal independence payment. The Bill states that the question of qualification relates to whether during

"every time in the previous 6 months, it is likely that if the relevant ability had been assessed at that time that ability would have been determined to be limited".

Mental health charities are worried that someone with a fluctuating condition would not qualify because they would have to be sufficiently ill for qualification at every point over those six months. Amendments 76 and 77 clarify that the condition would not have to be continuous throughout that time. The charities agree with the principle of monitoring a person's condition over time rather than making a snapshot assessment—they have no problem with that. They say the latter would poorly serve individuals with fluctuating conditions. This has been especially apparent in the experience of people applying for employment and support allowance.

4.30 pm

The wording of the Bill suggests that people with fluctuating mental health problems or another fluctuating condition will not qualify if they are not consistently ill for the required length of time. Denying them support through PIP could have a detrimental effect on their health and their ability to manage their condition. This could affect the individual's ability to stay in work if they are employed, or impede their recovery if they are not working. Also, it would not accurately capture the impact of the condition on an individual's life. I do not intend to press my amendments to a Division—we probably have enough votes—but I want an assurance from the Minister that fluctuating conditions will be taken into account and will be recognised. That is a particular worry.

If the Government are hellbent on introducing PIP, it is important that we get it right. As I just mentioned with regard to people with mental health problems, the Government are putting new obligations on disabled people of working age. They will have work obligations. They will have to do work-related activity. If PIP is not there to act as an aid to help someone get into work, the barriers that exist for all disabled people—such as lack of access to transport, or the lack of the ability to buy in their own care that is flexible enough to allow them to go to work—become insurmountable barriers. That means that the Government will not be able to deliver on their stated aim of getting more and more disabled people into work.

It is particularly important that the right people and those with severe disabilities get PIP because, as we heard during Prime Minister's questions today, the Government are proposing to limit contributory employment support allowance to a year. That will affect anyone who is not in the support group and who has cancer—that has been used as an example, but it could be someone in the early stages of multiple sclerosis or with a condition such as Crohn's disease—and who is quite ill, but not terminally ill or ill enough to go into the support group, and not so disabled that anyone looking at them would say it was unfair to expect that person to work.

Large numbers of people with conditions that are difficult to manage and make work difficult will be assessed as being able to look for work some time in the future and will therefore be in the work-related activity group. They will lose their contributory ESA after a year. I know that many such people in my constituency will not get any benefit afterwards because they will probably live in a household that has other income. That need not be a large income, but just enough to put them above income support level, which is not particularly high. There is much talk about caps on benefits, but if a household is living on income-related benefits, it does not get a lot of money. Those people do not get £26,000. They get an awful lot less than that. If somebody is earning more than £10,000, there is a good chance that they will not get any benefit.

In a constituency such as mine, which is reasonably affluent and wants people in work, there is a good chance that there will be a partner in the household who will be working. At the end of the year, the cancer patient or the person in the early stages of multiple sclerosis will lose their contributory ESA if their condition is not bad enough to put them into the support group. If that happened now, the one thing they would have is their DLA, but in future they may not have their PIP. They will have no independent income whatever. That is particularly worrying.

Even more worrying is the fact that the Government have set up an unfairness in that some people will be able to keep their contributory ESA and others will not. If someone has a cataclysmic accident and becomes quadriplegic, they will go straight into the support group. If they have worked all their life up to that point and paid their national insurance, they will get their contributory ESA, as far as I can gather, for life.

However, if someone falls out of work because they have just been diagnosed with MS that is quite far advanced but not far enough advanced to put them into the support group, they might be in the work group. Because they have MS, they might find it very difficult to get a job. That was why they fell out of their previous job and it would be difficult to get back into work. MS in its early stages can be a fluctuating condition. For the first year, that individual will receive contributory ESA, and the next year they will not because they have a working partner, but what will happen in year three or four when they are reassessed and go into the support group? Will they get their contributory ESA back? I do not think that they will, because they will not have made national insurance contributions for two years, having been out of work for that time. Perhaps the Minister could clarify that.

There is a danger in all this of setting up a two-tier system for contributory benefit, which would be particularly unfair on those with slowly degenerative diseases, who fall out of work some time before they are classified as severely disabled and before the work obligation is taken off their shoulders.

George Hollingbery: Perhaps I misunderstand the hon. Lady, but I think that I am right in saying that if those individuals are reassessed a year or two later and found to qualify for the support group, contributory ESA is no longer relevant as they will automatically be in the support group in any case. Is that right?

Dame Anne Begg: That is exactly what I would like the Minister to clarify. I do not know whether there will be contributory ESA for those in the support group, whether it will be income related, or whether everyone will get it. If someone lives in a household with a working partner who earns £20,000 or £30,000 a year and then goes into the support group, having not worked before that and so having not made national insurance contributions in their own right, will they get any ESA? I am not sure they will, because ESA is an income replacement benefit, and of course to get such a benefit they need to have made national insurance contributions or have a low income.

Stephen Timms: My understanding is that, even though they are in the support group, if they have not met the contribution conditions they will not get the contributory benefit. Perhaps the Minister will confirm that when she responds.

Dame Anne Begg: That is my understanding also. There will be a group of people who will have paid the contributions in the two previous years and who will go straight into the support group and get to keep the benefit for life, but those with slowly degenerative diseases and those who come from better-off households will get nothing at all. It is that kind of unfairness and that sense of a two-tier system that frightens people.

Maria Miller: On a point of order, Mr Deputy Speaker. Although it is very interesting to hear about the ESA, it actually is relevant not to PIP, but to another section of the Bill.

Mr Deputy Speaker (Mr Lindsay Hoyle): I am sure that there will be a conclusion in which the two points join together. I am not taking that as a point of order.

Dame Anne Begg: My point is that if the Government take contributory ESA away from this group of people and then change the criteria so that they no longer qualify for DLA or the new PIP, those people will end up with no independent income at all. That is the connection. We cannot look at the Government's proposals to remove DLA and introduce PIP in isolation, because they are putting disabled people under all sorts of other obligations. If we look at the benefits in isolation, we will get into trouble, and that is what leads to the fears of disabled people, because many of them, particularly those with more profound disabilities who are trying to live independently in the community, have complex funding packages that they have put together to make things work for them. They are dependent on the personal care element of DLA for their care and on housing benefit to pay for their rent; they are dependent on local government facility grants to adapt their houses; and they are dependent on the mobility element of DLA to provide them with transport or, for many of them, with cars through the Motability scheme. These are complex packages, and if the Government interfere with some of them the whole edifice could collapse. That helps to explain why there is so much fear among people with disabilities about what the Government are doing. They feel that the Government are not seeing the whole picture—that they are seeing different pieces of the jigsaw but not putting it together or looking at the impact that those pieces will have on individuals.

[Dame Anne Begg]

Part of the problem with universal credit and with PIP is that we do not yet know the criteria, the payments or who will qualify for what, so it is impossible for individuals to sit down with all the new regulations, which nobody has seen because they have not been published, and work things out, saying, "Right, in my condition, I know I will get that, that and that, and I can add that together and that will then tell me whether I am going to be better off or worse off under the new proposals." It is difficult to judge the situation, because we do not have that detail.

Mr Nigel Dodds (Belfast North) (DUP): The hon. Lady is doing the House a great service in teasing out the complexities, and in illustrating just exactly what is and is not known. Is not that at the root of many problems? How can we proceed with these measures when our constituents have so many unanswered questions? They have asked me, but I am unable to relay with any certainty what is going to happen to them, so surely the issues that have been raised deserve full clarification. Certainly, what has been illustrated as definitely going to happen demands that the amendments be carried.

Dame Anne Begg: Much of Monday's debate was about the fact that the regulations for PIP, for housing benefit and for universal credit do not exist, so it is difficult to judge exactly what will happen to individuals.

There is also a fear among disabled people, because the Government sometimes take a simplistic view of what a disability might be. Disability living allowance was quite clear, because it was to cover the extra costs of disability, but one worry is that, under the PIP proposals, aids will be taken into consideration. The implication is that, if someone has an aid, they do not have the extra costs associated with their disability—that somehow the aid will miraculously take away those costs.

It has been said—the Minister did so in front of the Work and Pensions Committee—that, if a wheelchair-using Olympic athlete has a university degree, it is reasonable to place some work obligations on them. That might be the case, but being an Olympic athlete who needs a wheelchair does not take away the need for an adapted car. They still need the car, the wider parking space, to build the ramps to get into their house, the adapted shower that the local authority's facilities grant often does not pay for, and the adapted bathroom.

In many cases, therefore, aids and adaptations do not take away the need for extra money. In fact, people with disabilities sometimes need the extra money to run some of those aids, such as an electric wheelchair and the extra costs that that entails, or an electric buggy that gets them around the shops. Rarely are such aids supplied by the NHS or, indeed, by the local authority, and DLA was such a good benefit because people could choose how they used it in order to fulfil their needs and lead an independent life.

If disabled people have work obligations placed on them, they will need extra money for travel costs. I could be as fit as possible and have the best super-duper wheelchair in the world, but with the best will in the world I am still not going to be able to get on the underground. It just will not happen, so we need to ensure that we get PIP right, and to ensure that it enables disabled people and does not hinder them.

Disability living allowance, particularly the mobility element, acts not only as a passport but as a proxy for all sorts of other things. Local authorities and organisations such as railway companies and cinemas use an individual's qualification for upper-rate mobility allowance as a proxy for the fact that they must be disabled and therefore qualify for a disabled railcard, a disabled cinema ticket or a blue badge—or, in my local authority, a green badge, for which we also have to pay 20 quid a year, so it is not as though we are getting it for nothing. That means that people do not have to be assessed time and again, which makes things much easier. For many people, the knowledge that they have been assessed and qualify for upper-rate mobility allowance is more valuable than the money. I would not say that the money is not important—of course it is—but access to a blue badge with reasonable ease is also incredibly valuable.

4.45 pm

I hope that the Government will look again at how they are introducing PIP. I will support my hon. Friends' amendment on the withdrawal of the upper-rate mobility PIP from those in residential homes. I hope that the Minister can calm some of the fears that disabled people are experiencing. They fear that if the Government do not get this right, then instead of being able to get out of their homes and go to work, they will be stuck there and have a life that is not as fulfilling and worth while as it is at the moment.

Maria Miller: It is absolutely right that we have a serious, considered and detailed debate on the reform of one of the most important benefits that we have, not only in relation to disabled people but within the whole array of benefits. It also represents £12 billion of taxpayers' money, so they would expect us to have a good and detailed debate.

I do not like to take issue with the hon. Member for Aberdeen South (Dame Anne Begg), not least because she is Chairman of the Select Committee—I had the pleasure of appearing before her this morning—but if it was easy to change the current system of DLA by simplifying the claim form, making it easier to understand and streamlining its administration, then I am rather surprised that the previous Government did not address those issues before. In fact, perhaps it is not I who take issue with the hon. Lady but Opposition Front Benchers, given their stated position. The right hon. Member for East Ham (Stephen Timms) has said:

"we recognise that it is right to reform the DLA and accept that it is perfectly sensible to use a medical test as the basis for assessment".—[*Official Report, Welfare Reform Public Bill Committee*, 10 May 2011; c. 825.]

I have to take issue with the idea of a medical test, but the right hon. Gentleman obviously has his own reasons for saying that. The hon. Member for Glasgow East (Margaret Curran) has said:

"There is no doubt, and it has been plainly stated, that there is a case for reform. The Opposition and I are clear about that."—[*Official Report, Welfare Reform Public Bill Committee*, 10 May 2011; c. 767.]

I think she said that when she was in the Scottish Parliament. *[Interruption.]* She said it recently as well. There is clearly a growing consensus on the need for reform.

When DLA is not getting the right support to the right people and £600 million is being paid in overpayments, and there are £190 million of underpayments—hon. Members will be equally concerned about that—there is a clear need for some fundamental changes. I hope that Labour Members who are feeling shaky on the need for reform can remind themselves that their party has also called for it in the past. Perhaps the position has changed, but those on the Front Bench have certainly not indicated that today.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Will the Minister give way?

Maria Miller: I hope the right hon. Gentleman will forgive me if I do not take many interventions, because I am very conscious of the time and of the desire of Opposition Front Benchers to get through the selection list. Many questions have already been asked and I will deal with them as I go through my remarks.

Before I respond to the issues that have been raised, I will set out the three basic principles that are central to our reform. The personal independence payment will provide support for long-term needs. It is one of a wide range of benefits that are on offer. It will be based on an assessment of the impact of a health condition on an individual and their ability to lead an independent life, rather than just on the condition. Above all, it will be fair.

Amendment 43 seeks to exclude individuals from the face-to-face consultations in the new assessment process for PIP. DLA relies on a self-assessment form and I will not go through the details of why that does not work. One of my constituents had to take a four-hour course to learn how to fill out the DLA form, which shows its ineffectiveness. One of our key proposals to ensure that the benefit has a more consistent and transparent assessment is that most people will have a face-to-face consultation with a trained independent assessor. The consultation will allow the individual to play an active part in the process, rather than passively filling in a form, and put across their views on how their health condition or impairment affects their everyday life.

We recognise the importance of ensuring that the assessment process is sensitive and proportionate. The Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), has a great deal of expertise in that area from his work on the work capability assessment. Let me be absolutely clear that when it comes to PIP, some people will not be required to attend a face-to-face consultation. I was clear about that in Committee and I reiterate it now. For such people, the assessment will be carried out on the basis of evidence that has already been gathered. Such decisions will be at the discretion of the individual triaging the assessment as it goes through.

Amendment 43 would undermine one of the key principles of PIP. It would effectively label people by health condition or impairment, rather than treat them as individuals. The disability organisations with which I am working day in, day out on the development of the assessment and the overall benefit would feel that to be a step back, not a step forward. The impact of a condition can vary greatly. Under the amendment, somebody with a severe mental impairment would not have to have a face-to-face assessment. That is a broad category, which covers a wide range of conditions that affect people in many ways. Although we accept that not everybody who has a severe mental impairment will have to undergo a face-to-face consultation, for others it will make a great deal of sense. For that reason, I cannot accept the amendment.

I deal now with amendments 44 to 47, 76 and 77. I am grateful to the Opposition for agreeing that PIP is a long-term disability benefit, and that there should be an expectation that there will be limitations for a period of not less than 12 months. The proposed qualifying period will allow us carefully to assess someone's ability to carry out a range of activities once their condition has settled down and potentially once the effects of treatment and rehabilitation have begun. PIP will be a valuable, universal, tax-free benefit—that is carried forward from DLA—and it will be paid irrespective of whether a person is in or out of work. I emphasise that point for the hon. Member for Islington North (Jeremy Corbyn), who conflated it with an out-of-work benefit. It is our view that the additional financial support that it brings should start only once other support mechanisms have played their part and once the financial burden becomes onerous for an individual over the long term, regardless of their income.

I can reassure Members that the Government have been listening to the arguments regarding the return to a three-month qualifying period, and we will continue to listen and talk regularly to disabled people and their representative organisations. We recognise that for some people there may be additional financial burdens at the outset, but we have to consider the matter within the ambit of the wide range of other support that is already available during the early months.

Sheila Gilmore: Will the Minister give way?

Maria Miller: Will the hon. Lady forgive me if I do not give way now? Perhaps if I do not cover her point, she can intervene on me later.

The hon. Member for Aberdeen South has tabled amendments 76 and 77, about how we treat fluctuating conditions. That is absolutely an important part of ensuring that we have a successful assessment. The use of the term "every time" in the Bill has caused some concern, I believe unnecessarily. I hope that I can allay her concerns about it.

Our approach will be to have two main components to the assessment. First, we will consider whether an individual is able to carry out an activity, and whether they are able to do so reliably, repeatedly, safely and in a timely manner. If they cannot, it will be considered that they cannot complete that activity at all.

Secondly, the assessment will not be a snapshot of any one day, as I am sure the hon. Lady would expect. It will consider an individual's ability to carry out activities over a period of time—we suggest a year. It will consider impacts that apply for the majority of the time. We will determine whether somebody has met the required period condition by considering whether they would be likely to meet the requirements of the assessment if they were assessed at any point over the period in question, which will effectively create hypothetical assessments across that period. We envisage that the assessment will not consider the effects of a disability on just one day,

[Maria Miller]

because the same principle will apply across the whole period. That means that we will consider an extended period of time, and that we will still apply the "majority of time" test. I think she will be reassured by that. As such, individuals will be able to meet the required condition even if their disability fluctuates over the specified period. We intend to include the treatment of fluctuating conditions in the next iteration of the assessment regulations, which is due to be published in the autumn. I hope that provides some reassurance.

I turn to amendments 66, 41 and 42. We have already announced that we will not remove the mobility component of DLA from people in residential care from 2012, as originally planned. We have also said that we will re-examine its position within the personal independence payment, which is precisely what we are doing. When that work is complete we will make a final decision, in the context of the full reform of DLA and the introduction of PIP.

Margaret Curran *rose—*

Maria Miller: Perhaps the hon. Lady can let me finish and see whether I have covered her point.

We will treat care home residents in exactly the same way as any other recipient of DLA. The views that have been expressed during, and in the lead-up to, today's debate have been vigorous and made people's positions clear. That is why we are not introducing the change in 2012 and are undertaking a review of the practical issues on the ground. We will not produce a review report, because we are not undertaking an official review. We are simply collecting information about the implementation of the policy at the moment, as I am sure Labour Members did when they were in government to inform their policy decisions.

Sheila Gilmore: Will the Minister give way?

Maria Miller: I will give way briefly.

Sheila Gilmore: It is very important that the Minister clarifies exactly what is intended. Does she still intend at some point, perhaps after a review or some information gathering, to treat the people affected as a group and decide whether they are entitled to the benefit, or will each individual case be assessed? If it is the latter, how will the information be gathered?

Maria Miller: If the hon. Lady will listen to my full remarks, I hope that she will be satisfied. We have made it clear that we want to remove overlaps, and that we do not ever want to limit severely disabled people's ability to get out and about, so we will not do what she describes.

Cathy Jamieson *rose—*

Maria Miller: Will the hon. Lady forgive me if I try to complete my remarks? I will give way if I have not answered any questions. I will ensure that when we introduce PIP from April 2013, disabled people are treated absolutely fairly, regardless of their place of residence. We do not intend to undertake what the hon. Member for Edinburgh East (Sheila Gilmore) was talking about.

Cathy Jamieson: Given the concerns about the term "overlap", will the Minister be absolutely specific about what she means by it? For example, is it overlap if a care home uses a minibus to transport residents?

Maria Miller: Obviously we are looking at whether an individual has access to support, not at whether a care home has access to it. I could not make it plainer than to say that we do not intend to remove somebody's ability to get out and about. That is a plain and categorical statement, and the hon. Lady can interpret it as she chooses—I know that I interpret it as a plain and clear statement. Support for disabled individuals should be available in the social care packages that are available on the ground. If that support is not in place, there is no overlapping benefit.

Cathy Jamieson *rose—*

Maria Miller: Will the hon. Lady forgive me for moving on and making some more comments?

Opposition Members will not be surprised to hear that I feel strongly that the Government have made our position clear on this matter.

Margaret Curran: I cannot understand this. If, as the Government say, they are not removing the DLA mobility component from people in residential care, why do they need the Bill to give them the power to do so?

Maria Miller: We are not doing that. We are reviewing the situation. As the hon. Lady will of course know, we need provisions in the Bill to take account of other areas of overlap within PIP—it was the same under the previous Administration—so that we do not pay certain elements of the benefit to people in various types of accommodation. Any change or refinement will be dealt with in regulations, which she will be able to view for herself.

Duncan Hames: I have heard very clearly the Minister's assurances in her remarks so far, but I am at a loss as to why the Bill refers specifically to residence in a care home as a condition for clause 83(1)(b). I am encouraged by what she has said, but I do not understand why that provision remains in the Bill.

Maria Miller: My hon. Friend will know that we are looking at this matter in some detail, and at the evidence on the ground. If we do not feel that an overlap is in play, we will take the appropriate action. He can rest assured that any further action that we take in that regard will be defined in regulations and subject to further debate.

Amendment 73, to which my hon. Friend the Member for Cardiff Central (Jenny Willott) spoke, would require the Secretary of State to produce a report on the impact of regulations made under clause 83 within a year of their being laid. In the light of the explanation that I have just given, considering whether to produce a report on the impact of regulations made under the clause could be premature. I therefore hope that she does not press the amendment to a Division.

Similarly, on amendment 74, on regulations, I repeat my assurances that we take extremely seriously the concerns expressed earlier about care homes, and we are

committed to responding to them in the right way. The House would expect the Government to look at the facts of how a policy would be implemented before they move forward with it, which is exactly what we are doing. The amendment would make regulations applying to the payment of the mobility component of PIP subject to the affirmative resolution in the first instance. We spoke at length about that in Committee, and I do not want to debate again whether a resolution should be affirmative or negative. We are subject to the scrutiny of Parliament in this. I would like to return to the commitment that I gave the hon. Member for Glasgow East in Committee when I said that I would reflect on whether other regulations should be subject to the affirmative procedure. I am happy to reiterate that, but at the moment I do not think that we need to go further.

Stephen Timms: The hon. Member for Cardiff Central (Jenny Willott) argued that when the review has been carried out and the Government have a proposal, it should at least be consulted on before it is put into effect. Will the Minister at least accept that point?

Maria Miller: We are not producing a report to consult on. What we will do is make our position clear, and then there will be the opportunity for people to give us their views on that.

Finally, I would like to speak to amendment 60. I believe that the intention of the amendment is to ensure that the new assessment for PIP is working effectively before it is used to reassess the existing disability living allowance caseload. I can reassure the hon. Member for Glasgow East that it is our intention to do that. But I can go further than that—the Government are committed to ensuring that the new assessment is working effectively before it is used for any individuals, new claimants or not.

Dame Anne Begg: Related to that point, although it is slightly different, I wonder whether the Minister can allay the fears of people with Motability cars. Some of them could sign a new lease this month and be reassessed for PIP before the end of that lease, so they might lose the mobility element of DLA and therefore lose their car. What would happen in such cases?

Maria Miller: I had a meeting with Motability yesterday to talk about these issues, which was one of many meetings that I and officials have had with it. We will look at the issue in great detail. Motability provides a fabulous service to disabled people and we will ensure that the issues that the hon. Lady mentions are addressed.

Cathy Jamieson: Will the Minister give way?

Maria Miller: If the hon. Lady will forgive me, we are running very short of time.

Amendment 60 would have the unwelcome effect of allowing the automatic transfer of existing DLA claims on to PIP without any review of entitlement. PIP is a new benefit, with new entitlement criteria and a new assessment of individual need. To transfer people to PIP automatically without first determining whether they are eligible for the benefit would be inherently unfair and would perpetuate the failings of the current system. I cannot therefore accept that amendment.

I hope that I have started to give hon. Members a flavour of the scale of work that is being undertaken by the Department in putting forward a new benefit of this scale. I hear the loud reiteration of many of the arguments that I have had with disabled people and disabled people's organisations over the previous months in hon. Members' comments today. I am sure they will be reassured that disabled people and disabled people's organisations are at the heart of the development of our assessment, which is now fully available for people to look at and comment on online. Some of the amendments proposed today are wholly inconsistent with the principles that I have set out for our reform of PIP, while others are unnecessary. I hope therefore that the hon. Member for Glasgow East will withdraw the amendment.

Jeremy Corbyn: I will be brief because many other hon. Members wish to speak, and under the timetabling motion we have to conclude by 6 pm, which is very inadequate given the seriousness of the issues. I shall speak specifically to amendments 43, 76 and 77. Amendment 43 was tabled by my Front Bench colleagues and I am happy to support it. I have added my name to it and I hope that they have noted that. Amendments 76 and 77 were tabled by my hon. Friend the Member for Aberdeen South (Dame Anne Begg).

This morning, I was at a commendable place known as Centre 404 in Islington, which provides support and activity for those with physical disabilities and learning difficulties, as well as support for their carers and families. It has been going for 60 years and is a very successful and effective organisation. The large numbers of people there this morning were discussing the introduction of PIPs and the issues surrounding carers week. Before we go into the details of the amendments, we should think for a moment about the enormous amount of work done by carers, who are inadequately recompensed and save the economy vast sums of money. If they were they not doing this work and giving up their careers and lives to care for those who desperately need their help and support, that care would simply not be provided and the costs to the state would be far greater, so we should recognise the economic contribution they make in a decent and humane way.

The Minister said that I conflated the question of jobseeker's allowance interviews with PIPs. In a sense I did, because I was drawing attention to how people were dragged in for interview. For example, a lady told me—she is a much respected member of the community active on these issues—that her doubly incontinent adult daughter, who has learning difficulties, was told to go to a jobcentre for a jobseeker's allowance work interview. It is expensive, unpleasant, wasteful, stressful for everyone concerned and an utter waste of time, and considerable damage and humiliation is caused to the individual and their family. That is why amendment 43, which would exempt those with prescribed medical conditions, would be a sensible, important and useful change to the Bill.

The Disability Alliance described to me how PIPs are likely to come in and how the assessments will take place, and the word that kept recurring was "continual"—continual prompting, continual help, continual assistance, continual support—which is interesting, because a person with a sporadic mental health difficulty does not need

[Jeremy Corbyn]

absolutely continual help and support, yet they do need help and support on a continuing basis. Do they then lose out on PIPs?

Stephen Lloyd: Does the hon. Gentleman agree that that definition also perfectly describes people with multiple sclerosis, which is a fluctuating condition? Someone with multiple sclerosis might need very little support one day, but literally within 24 hours might require substantial support.

Jeremy Corbyn: Absolutely. My hon. Friend the Member for Aberdeen South pointed out that there are some conditions that although not terminal or immediately life threatening are nevertheless very debilitating. MS fluctuates in its intensity and the intensity of care and support needed.

People with a long-term, continual and severe disability should be exempt, and should not be forced to go through this interview process. In an intervention on my hon. Friend the Member for Glasgow East (Margaret Curran), who sits on the Front Bench, I raised concerns about the costs of taking people in for interview, refusing them and then putting them through an appeals process, only for them to end up, months later, exactly where they started—with lots of costs, lots of time, lots of humiliation and lots of waste at the end of it. Amendment 43 would make a pretty appalling Bill very slightly better by recognising that those with permanent and long-term conditions should not have to go through this process. I therefore hope that the House will recognise the amendment's importance and be prepared to pass it today.

5.15 pm

Sir Peter Bottomley: Whether or not amendment 43 is needed, I am quite sure that the officials and others who do the assessments would not expect people with those conditions to be able to go to work. I do not think that this would be a great problem in practice; however, there is always a problem at the boundary.

When I was getting on the Jubilee line this lunchtime I met a young man in a wheelchair—in fact, he turned out not to be that young, because 20 years ago he was helping to build the Jubilee line. He said, "What do you do?" "I work at the House of Commons", I replied. "Are there any jobs there?" he asked. "650", I said. "They come up every five years." He said, "I'm a cook." "There's no reason why a cook can't be a Member of Parliament as well", I said. I did not ask him whether he lived at home, in a hospital or in a residential care home, or whether his residence was in a home with others.

Earlier this afternoon, I spoke indirectly—I will now speak directly—about St Bridget's in Rustington, the place mentioned in the first line of the second verse of "The Gnu Song" by Michael Flanders. For those with long memories, "The Gnu Song" comes when he is talking about someone parking a car across his dropped kurb with "GNU" on the registration plate. There are people in Rustington who live in their own homes, and others who also live in their own homes, but who share it with others. The definitional problem is just as great as it might be at the Princess Marina home—again in Rustington—which is a Royal Air Force benevolent fund home that is dual registered. Part of it counts as a hospital, part of it counts as a home and part of it counts as a residence. Incidentally, "residential homes" are not defined in the legislation; rather, it talks about "care homes".

In Worthing, in the other part of my constituency, there is Gifford house—the Queen Alexandra hospital home—which is not just for former service personnel, but for many others. Although I have not had representations from them, I do not want to exclude them from consideration. I pay tribute to my hon. Friend the Minister for kindly coming to St Bridget's—the Leonard Cheshire home—among her many visits. I pay tribute to the people who live there, their families and my hon. Friend the Minister, because it was one of the best meetings that I have seen for a long time.

I trust my right hon. Friend the Secretary of State, my hon. Friend the Minister and those working with them to come up with the right answer. My preference is for amendment 42 to be agreed to, and then for the Government to come forward with their solution to the problem after they have received the result of the review. They can then come back, either here or in another place, and make an adjustment if they choose to do so. At the moment, however, the way I read the Bill is that someone whose residence happens to be in, say, St Bridget's—this is not exclusive to St Bridget's or Leonard Cheshire homes generally—could easily be excluded.

I shall not make the sort of speech that I might make in opposition, about how the Henry VIII clause in clause 83(4)(e) allows

"such other services as may be prescribed"

to be covered, nor shall I go on about subsections (5) or (6), which would allow almost anybody to be divorced under their provisions. However, I believe that we can trust the Government and that they are setting about this in a way that is rational. However, unless the legislation is amended or we receive other assurances, this is not a Bill that this House ought to pass.

Dorothy Sayers, in her book "Unpopular Opinions", distinguishes between the English—by which she meant the British—and, say, the French by saying that whereas they believe in equality, we believe in fairness. There are currently three issues where fairness concerns me, and this is one of them. Another is the question of those women born in the mid-1950s losing more than a year's pension, and another is overseas pensioners in the old dominions or elsewhere who cannot get pension increases. We have to take those issues one by one. I believe that the Government will solve the problem of the extra unfairness for those women born in the 1950s. I want the Government to find the solution to the problem that we are discussing in this debate, and later we can come to the overseas pensioners.

On the subject of this debate, why should we necessarily risk solving the so-called overlap by taking away the higher-level mobility component, rather than taking away what the county council might otherwise provide, which is a far smaller amount? I met a woman in a wheelchair, like the man I met on the underground—he said that he was interested in politics, so I gave him yesterday's *Hansard* to cheer him up—who wanted to go to her father's birthday party and then attend a

college course. Those two journeys by themselves, at the subsidised rate of the St Bridget's minibus, would have exhausted her money if she had not had the mobility allowance.

Obviously people's circumstances vary, but rather than make a long speech—we have heard rather too many of those this afternoon—let me end by saying that if amendment 42 comes to a vote, I shall vote for it. I trust that the Government will come back and make things plain in the Bill, rather than our having to rely on positive resolutions on statutory instruments or the results of the consultation or assessment that they are currently undertaking.

Mr Tom Clarke: I very much regret that the Minister did not give way to me on the one occasion that I asked her to do so, particularly because I had planned to ask her to make an apology. I also invite the Secretary of State—if he would just listen to the debate for a moment—to join in making that apology to the 80,000 people living in residential homes who have been threatened since the comprehensive spending review with the removal of the mobility element of their disability living allowance.

I first raised this matter in a debate in Westminster Hall on 30 November. The Minister responded to that debate, so she cannot claim that she did not know what the issues were. In a moment, I shall talk about the remarkable review that very few people know anything about. People living in residential homes, and their Members of Parliament, can tell her exactly what the situation is, even in the absence of a review. We do not like the idea that 80,000 people have been led up to the top of the hill and marched down again as a result of the various approaches of the coalition Government.

Jim Shannon: Does the right hon. Gentleman think that this review has a pre-determined conclusion? Is he as concerned as the majority of Members are that it is only paying lip service to the issues and that it will therefore not deliver what we want to see happening?

Mr Clarke: I hope to come to that point later. I welcome the fact that hon. Members from Northern Ireland have played such an excellent part in these debates, both on 30 November and since. The hon. Member for North Antrim (Ian Paisley) made an intervention on that occasion, and his arguments were as sound then as they are today. The Minister has virtually no support for her position. In a moment, I shall discuss the disability organisations.

Naomi Long: Does the right hon. Gentleman agree that one of the huge disappointments of the process is that, despite the fact that hon. Members as well as people outside the House and local charities initially supported the principle of welfare reform, they are still unable to support the Bill, even at this late stage, because of the lack of detail and assurance that it offers?

Mr Clarke: The hon. Lady makes a very good point.

The people who know the most about DLA know that it is very difficult to secure. Claims have been made, if not by Members on the Government Benches then certainly by newspapers that support the Government, that the system is being abused, but the people who know about abuse are those who experience DLA for themselves. It is not a question of not dealing with that. As a result of the Government's proposals, people who live in residential homes have experienced uncertainty, inconsistency and pledges being reneged on. Today, when we are being asked to make a specific decision on a Bill that will impact on those people, we have yet again heard a series of vague statements from the Minister that mean absolutely nothing.

To be fair to the Minister, she is not alone. The Secretary of State is equally culpable, as is the Prime Minister.

Charlie Elphicke (Dover) (Con): Will the right hon. Gentleman give way?

Mr Clarke: No, I will not. I should like to carry on.

The Prime Minister has given contradictory statements to the House on this issue. In January, he said that

"our intention is very clear: there should be a similar approach for people who are in hospital and for people who are in residential care homes. That is what we intend to do, and I will make sure that it happens."—[*Official Report*, 12 January 2011; Vol. 521, c. 282.]

He has been questioned on the issue at Prime Minister's Question Time on four or five times. On 23 March, when my right hon. Friend the Leader of the Opposition asked him whether there were plans to push through this proposal, he said:

"The short answer is that we are not."—[*Official Report*, 23 March 2011; Vol. 525, c. 944.]

Despite that, and despite what we have heard again today—I repeat that I found it completely unconvincing—the intention remains in clause 83 of the Bill that we are being asked to support.

There is also the Red Book. Towards the end of the Budget debate—this has been going on for a long time, as I said earlier—I tried to intervene on the Chief Secretary to the Treasury. Why did he not give way? He did not, but there is at least consistency from Ministers in that respect when it comes to me. He did not give way.

Charlie Elphicke: Will the right hon. Gentleman give way?

Mr Clarke: I am talking about Ministers. The Chief Secretary did not give way, because I was going to ask him whether in the Budget vote we were being asked to support the page in the Red Book that took more than £470 million away from the people we are discussing today or a section that said we were going to have a review. Answer came there none. We have had statements; we have had a Budget; we have had the Prime Minister's comments; and we have had the Bill that is being thrown at us today—yet 80,000 people still do not know what the future holds for them. That is wholly unacceptable.

As a result of the measures, 80,000 people will suffer. People on higher rate DLA mobility stand to lose out by £51.40 a week, which will impact on their ability to exercise independence and choice—things that we are told again and again by the Government they support when it comes to community care.

Charlie Elphicke: Will the right hon. Gentleman give way?

Mr Clarke: No, I am not giving way, so the hon. Gentleman might just as well relax. If he had spoken to as many people in residential care as I have, he might not be so willing to defend the indefensible.

The denial of independence in this proposal means that people will not be able to pay for buses; they will not be able to go to bingo or to football matches. In my constituency, a couple will not even be able to meet each other, yet the Minister had the effrontery to use the word "fairness" in presenting her reply.

Despite what the Minister had to say, we know that disability organisations continue to express grave concerns about the proposals. Indeed, 40 organisations collaborated to compile the "Don't limit mobility" and the "DLA mobility: sorting the facts from the fiction" reports, which not only outlined the negative impact of the measures on disabled people, but explained why the Government's rationale behind them is simply incorrect.

On Monday, we heard the Minister refer again to organisations dealing with disability. Let us go through them: Mencap, RADAR, Scope, the United Kingdom Disabled People's Council and People First. Again and again, those organisations have sought to highlight the failings of DLA—yes, they have said that. However, if the Minister is going to quote them to justify the Government's actions—she is entitled to use these organisations' views—she must also be willing to accept their view that they are utterly opposed to the proposals.

I wonder what the Government think of the Social Security Advisory Committee, which is an equally important organisation. Its view was known to the Minister at an early stage. We should remember that this is a very important, heavyweight viewpoint:

> "We consider the proposal to remove the mobility component from people in residential care should not go ahead. This measure will substantially reduce the independence of disabled people who are being cared for in residential accommodation, which goes against the stated aim of the reform of DLA to support disabled people to lead independent and active lives."

Why are the Government rejecting that crucial view?

What do we know about the Government's plans? We are entitled to ask that question when we are being asked to support this Bill at what is virtually the twelfth hour. We know that they claim that there are overlaps in funding for mobility support for people in residential care, but we do not have the evidence to back up that claim. By seeking to remove the payment of the DLA mobility component to such individuals in order to avoid any possible overlap, the Government are shifting the burden of funding those mobility needs on to local authorities. As we have heard—some of us from Scotland heard it yesterday from representatives of the Convention of Scottish Local Authorities—local government simply does not have the resources. It is quite absurd to say that the Government will cut away this funding and that local councils will make up the gap, when they are telling us again and again that they simply do not have the resources.

5.30 pm

What is more, we do not know how these needs will be properly met if local authority resources are already too stretched to cope. Given that the cost of the Government's proposal will shift to the social care budget, will the Minister tell us what discussions she has had with the Department of Health, for example? We have not even been told that in the context of this mysterious review. It is a dangerous precedent to replace benefits with social care provision, particularly when social care eligibility criteria have been tightened so that more and more people stand to slip through the net.

Let me turn now to the much-promised review. The Government announced that they would review the proposals and it was hoped that that would offer greater clarity. Such clarity did not emerge today. The review is internal, within a Department; it is not transparent; and it has no terms of reference. There will be no reports to this House of which I am aware about what it actually does. Regardless of the review, all that has happened is a six-month delay to the implementation of the proposal. No disabled people who stand to be affected have been consulted and the findings will not be made public. What sort of review is that? Is the House seriously expected to support that?

We are being asked to decide on an issue about which we do not have the full facts. Even when the Government come to a decision, there will be no scope for an informed discussion, because the details will not be in the public domain. Although the review of the reforms in the Health and Social Care Bill was far from perfect, at least it enabled scrutiny, public participation and transparency—something that is certainly not taking place in this review.

Given what we know, these proposals are in all candour absolutely cruel and stand to the disadvantage of tens of thousands of vulnerable people. No further clarity has emerged today to suggest otherwise and one reason I shall support amendments 41 and 42 is that the Government have been given so many opportunities—from the debate in November to the Budget debate and from questions in the House to this debate today—to make their position clear, but they have failed abysmally to do so. I am therefore obliged to reach the conclusion that these welfare reforms are not meant to take us forward, they are not part of a progressive society and they are not addressing the real problems of the millennium. They are taking us back to the '20s and the '30s. The expression "Out of sight, out of mind" came into my head again and again during today's debate.

Mark Durkan *rose—*

Mr Clarke: I shall give way to the hon. Gentleman, because he has shown an interest in these matters.

Mark Durkan: I thank my right hon. Friend for giving way and commend him for his contribution. Is not the situation he describes not even more grotesquely surreal when one considers that, whatever form the review takes, people in local government and those running care homes are being questioned by the Government not about the funding crisis undermining the financial certainty for those care homes, which has people suffocating with worry and dread about what will happen to them, to their relatives and to the staff, but in pursuit of a mythical notion that duplicate payments are being made in respect of the mobility component and contracts with care homes? Should not the Government be addressing the real crisis that is facing care homes and not the nonsense with which they have obsessed themselves?

Mr Clarke: As always, the hon. Gentleman has put his case beautifully.

As we head for the Division Lobby tonight, we are asked to choose between the interests of people with disabilities, many of whom have been in residential care for more than 20 years, the concerns of their families and the support of their communities, and the Government's wish to rush through legislation that in all candour is completely indefensible. Tonight is a real test for the House, and by that I also mean Members of the Liberal Democrat party. I understand that they did not take part in the vote on this in Committee, but they are free to do so tonight. If the Government do what they seek to do and interfere with the lives of the most vulnerable of our fellow citizens in the way that the Bill intends, they do not deserve support and, frankly, people outwith the House, including disability organisations, will be asking about the standing of this Parliament if we allow such a monstrosity to be endorsed in the Lobby. It does not deserve support and I hope that the House will support my hon. Friends' amendment. I hope also that the Government will think again. I hope that they will think of the shame with which they have burdened themselves and try to redeem themselves from the situation in which they alone have placed themselves.

Peter Aldous (Waveney) (Con): I will be brief, Mr Deputy Speaker, as I know that others wish to catch your eye, and so I shall not take interventions. I am reassured by what the Minister said about the mobility component, but I should emphasise that its proposed withdrawal has caused a lot of worry and anxiety in my constituency. Residents of Shaftesbury Court residential home in Lowestoft are heavily reliant on the mobility component and if it had been simply withdrawn a number of disabled and vulnerable people would effectively have been confined to Shaftesbury Court. Visits to day centres and journeys to colleges would have been a thing of the past for them, and social outings to the cinema, bingo and local sports centres would no longer have been possible.

In addition, visits to the family home would have been increasingly difficult. Not all the residents of Shaftesbury Court come from the Lowestoft area. Some come from further afield, including Ipswich, which is 45 miles away, Canvey island, which is 103 miles away, and even Kent. Such home visits invariably take place only once or twice a year and are very important to the residents and their families, and the removal of the mobility component would have made it very difficult for them to continue. I have heard it said that the local authority or the care home operator would have stepped into the gap and taken on those responsibilities, but under the existing contract at Shaftesbury Court, there is no obligation on either party to do so. Suffolk county council does not have the funds to provide those services and Sanctuary Care, which runs the home, does not have the staff, resources or vehicles to take on the role.

A further issue that needs to be considered, which the Minister touched on, is how Motability would deal with any change for people who currently use their mobility component to purchase a vehicle. This is a complex area and I do not believe that the Government intend to penalise a particularly vulnerable group of people. I am reassured by what the Minister said and I look forward to learning the results of the review, but I urge her not to let down the residents, families and carers of those at Shaftesbury Court.

Fiona O'Donnell: I am delighted to contribute to the debate. I want to speak in particular about the review and possible removal of the mobility component of DLA, or PIP as it has become, and the extension of the qualifying period for PIP from three to six months.

I listened carefully to the Minister during the whole debate. I also attended a debate in Westminster Hall where many of the issues that came up today were raised, yet it appears that we are no further on in finding an answer to our questions. The Minister seemed to think that she weakened the Opposition's case by saying that we agreed with the need for reform of DLA, but the point Opposition Members and our Front-Bench team have consistently made is that, yes, reform is needed but the Government have got it wrong in the Bill. I often understand the rationale and politics in some of the Government's decisions and proposals, but I really feel that the proposals in the Bill that the amendments address are actually cruel. I thought long and hard about those words.

Constituents have contacted me from cancer, mental health and disability organisations, including the Disability Benefits Consortium, which represents 50 charities and thousands of people with disabilities and their families. Their mission is clear. The DBC document states that it is to use their combined knowledge, experience and direct contact with disabled individuals, people with long-term conditions and carers to ensure that Government policy reflects and meets the needs of all disabled people. But the Government simply are not listening. When so many people have come together, the Minister should take the time, as others in the Cabinet have done, to pause and reflect. We have seen in the movements to oppose some of the measures a unity and solidarity that has never been seen before. Is it not time to pause?

Cathy Jamieson: Does my hon. Friend agree that the organisations she has listed would have a great deal to contribute if there was a proper official review, instead of the behind-the-scenes unofficial review, or whatever it was that the Minister described?

Fiona O'Donnell: I agree and I thank my hon. Friend for her contribution. I listened with interest to the speech the hon. Member for Cardiff Central (Jenny Willott) made about her amendment. *[Interruption.]* She is thanking me now, but she may not thank me when I have made my comments, although I shall again try to be careful. It is extraordinary that a member of the Government should support legislation and an amendment, yet time and again blatantly admit that she did not know what the Government were proposing. The hon. Lady kept pointing us in the direction of the Minister, saying that she would answer our questions. She was not in the Chamber for the whole of the Minister's speech, so I have to tell her that the Minister did not answer the questions.

Jenny Willott: I want to make it very clear that I was here for the whole of the Minister's contribution. The questions I referred to the Minister were about what she was doing. Clearly, as a Back-Bench Government Member, I am not privy to that.

Fiona O'Donnell: In that case, I suggest that the hon. Lady holds back her support for the Government until she knows what they are going to do. She spoke to us about the review, but when she looks at the record she

[Fiona O'Donnell]

will see that she thought it entirely appropriate for disabled people not to play a part in it. The Government ask us to have confidence in this information-gathering review, but its findings will be secret, disabled people will not be part of it and there will be no consultation on it. The hon. Lady thinks those are reasons for us to have confidence. I see Members on the Government Back Benches putting their heads into their hands, and well they may. These are the facts. What is being presented to the House is clearly unacceptable.

Charlie Elphicke: I thank the hon. Lady for her great courtesy and generosity in taking interventions, and for her old-fashioned charm in giving way—*[Interruption.]* Her modern charm.

The issue is not about taking things from people; it is about double-counting, so that we ensure that our scarce state resources are as well directed as possible. Surely that must be the right approach.

5.45 pm

Fiona O'Donnell: As someone who became a Member only recently, I would rather that I was not called old-fashioned just yet. The hon. Gentleman completely misses the point.

On how people will be affected by the change to the mobility component of DLA, there is a genuine and general lack of understanding of what residential care is about and the experiences of the people living in it. I was worried that the Minister used the word "overlap" again and again, because we do not know what that will be or how it will be defined. As my hon. Friend the Member for Edinburgh East (Sheila Gilmore) asked, will it be defined on a group basis or individually? We are asked to have confidence that people will have the same choice, flexibility, independence and dignity in their lives, but I do not think that I can do so on the basis of what I have heard from the Minister.

I worked for a number of years in a residential home in Perthshire called Upper Springland, which is owned and run by Capability Scotland. If hon. Members and the Minister in particular want information about what the reform will mean, I suggest they read a report that was commissioned by Capability Scotland and the Margaret Blackwood housing association called "How am I going to put flowers on my dad's grave?". I shall not apologise if I become a little sentimental in the next part of my speech because I want to talk about some of the people I met in that residential home.

I do not judge people for not really understanding what a residential home is about because when I arrived at Upper Springland, it was not what I expected. People had not only a front door through which staff could enter after knocking, but a back door. It was entirely appropriate that they came and went without us knowing their movements. Sometimes they did not come home at night, in the way that many of us might have done in our misspent youth, but accessing that kind of information was no business of ours. Many people—I was glad that the hon. Member for Waveney (Peter Aldous) raised this point—had come from as far away as Wales to live in Perth at Upper Springland because it was such a centre of excellence. This is the point at which I need to know what the Minister means by "overlap" because I remember how important it was to Fiona, that young woman from Wales, that she could attend her father's funeral service.

Upper Springland had several adapted buses as well as individual cars that residents could use. There were regular trips to Perth so that people could access shops and occasional drivers were on duty at the weekend. However, it did not go as far as to provide a service to Fiona that would allow her to travel back to Wales to be at her father's funeral. Would the Minister see the service at that residential home as duplication? Would she have removed Fiona's mobility component, meaning that it would have been virtually impossible for her to attend her father's funeral?

Stephen Lloyd: I hope the hon. Lady accepts that my determination and passion about, and commitment to, people with disabilities are perhaps equal even to hers. As I have listened to the debate, and especially to the previous few speakers, I have become frustrated by hon. Members' assumptions that everything that the Government are doing is bad and for the worst reasons. She cites the example of a funeral as if to intimate that that would not be covered. I think that is scaremongering. I ask that she thinks carefully about the language she uses.

Fiona O'Donnell: I absolutely will not withdraw my comment. This is not scaremongering. I am setting out exactly the kind of concern that has been raised in a report commissioned by two of Scotland's leading disability charities. If the hon. Gentleman thinks that those charities would be as irresponsible as to carry out scaremongering and to frighten the people who form part of their organisations—the people for whom they stand up—it is he who has something to answer for.

Mark Durkan: Does my hon. Friend agree that if people should be scared by anything, it should be not her question but the lack of the right answer from Ministers?

Fiona O'Donnell: I thank the hon. Gentleman for his support.

Let me talk about a few of the other people who lived at Upper Springland. David had no voluntary movement of his arms and legs, and a little movement of his head. He had no verbal communication. He was completely dependent but he had an incredibly active mind. He was able to communicate through an auxiliary voice and communication system. When he asked to have some swear words programmed into his computer, it caused some discomfort for the rather old-fashioned manager of the residential home as David wandered around the corridors telling everyone to "Eff off!"

David had come from Edinburgh to Upper Springland because of its excellent reputation. He would love to return home on visits to see his family. I personally accompanied David on his last visit to his father before his father died and also to the funeral. I have genuine concerns about that. The Secretary of State shakes his head, but unless we get a definition of what the overlap means, how can we have any confidence? The organisations out there representing people with disabilities do not have confidence in the proposal, so the Secretary of State has no reason to shake his head.

There was another young woman called Joyce who was not only active—she played a sport called boccia and travelled around the world—but had a job for a few hours a week so that she did not lose her benefits, and volunteered in various organisations. To support her to do that, she needed the flexibility to be able to book her own taxi to go to work and to participate in the other activities. There was Maggie, who refused to travel in the transport available at the centre because there was a great big sign up the side of the vehicle which said "Capability Scotland" and she did not see why she should be branded, but going to church every Sunday was very important to Maggie.

These are people I cared about and people I cared for. I fear greatly for what will happen to them and what their future lives will be like if the House does not support the amendments.

I have been critical of the Minister and other Members on the Government Benches, saying that they do not understand what disability and residential care mean. I heard the Prime Minister in one session of Prime Minister's questions talk about people in residential homes. Then, it was an anomaly between them and people in hospital. Now the Prime Minister seems to acknowledge that residential care is a social model, not a medical model. He has said that the DLA mobility component is not being removed, but the evidence in the Red Book is that it will disappear, so I am not reassured even by a six-month stay of execution.

We must ensure that people continue to have the same choices as people living outside residential care homes. I do not like to talk about people living in the community, because people who live in residential care homes are also part of our community. What evidence is there of an overlap there? Charitable organisations provide access to vehicles, so is the Minister going to assess whether there is an overlap there as well?

People in residential care make the same choices as we do. How many of us do not need a car? We could use public transport, but for those people to buy an outdoor electric wheelchair, which they would not be entitled to under the NHS assessment, makes all the difference to their lives. Why should they not have that choice? It is not just about Motability cars. It is also about people who have entered into contracts and loans to pay for those electric wheelchairs. All these months on from the Westminster Hall debate, we still do not have an answer from the Minister about what will happen to those people.

A further topic that the Minister has not addressed—the hon. Member for Cardiff Central had great hopes that she would talk about it today—is the situation in respect of the devolved Governments of the United Kingdom. If the Minister has any expectation that there will be regulation of residential care homes or a duty placed on them to provide a service to people with disabilities, if she thinks she can compel the NHS to start providing more mobility adaptations to people with disabilities, and if she believes in the universality of the benefit, how can she ensure that people in Scotland will always retain the same benefits as people in the rest of the United Kingdom? She did not clarify that, so I would like to give her the opportunity now to intervene and answer that question. *[Interruption.]* No?

Mr Reid: Will the hon. Lady give way?

Fiona O'Donnell: All right; someone else will speak.

Mr Alan Reid (Argyll and Bute) (LD): Surely the hon. Lady, as a Scottish Member, knows that it is up to the Scottish Parliament to decide on devolved matters. That is what devolution is all about. It is up to the Scottish Parliament to decide whether it provides that benefit or not.

Fiona O'Donnell: I know that. I am questioning whether the Minister understands that that is the situation we find ourselves in and the impact it will have. Will the review include Scotland and the other devolved areas of the United Kingdom?

Maria Miller: Yes, we do talk with the devolved Administrations, but I say to the hon. Lady that the point everyone is making is that many other hon. Members would like to speak.

Fiona O'Donnell: I absolutely take heed of that and apologise if I have taken too much of the House's time, but I feel passionately about this issue. I will bring my remarks to a close by saying that I hope hon. Members will walk through the Lobby with us to vote in favour of the amendments that my colleagues and hon. Friends on the Front Bench have tabled.

Mr Reid: I had wanted to speak tonight on my concerns about the proposal not to make any personal independence payment for the first six months, but I will speak about that later. Further to what the hon. Member for East Lothian (Fiona O'Donnell) has just said, my understanding of the Government's position is that there is an overlap, and it is perfectly correct that where an overlap has been identified we ought to have a review. It is also important to stress that we are not abolishing the mobility component for people in care homes by voting against the amendment tonight; we will be voting to give the Government the power to make regulations.

Margaret Curran: Will the hon. Gentleman give way?

Mr Reid: I am sorry, but there is no time.

What concerns me about the Bill as it stands is that those regulations will be made by the negative procedure, which does not give Parliament the absolute right to scrutinise and vote on them. I have put my name to amendment 74, tabled by my hon. Friend the Member for Cardiff Central (Jenny Willott), which proposes that the regulations should be made by the affirmative procedure.

Maria Miller: Given the strength of feeling on this matter, from my hon. Friend and others, I am happy to give a firm undertaking that the regulations will be made under the affirmative procedure to ensure that we get the debate that I know the House wants on the matter.

Mr Reid: I am extremely grateful to the Minister for that—I wish that every time I spoke for a minute I could bring about a change in Government policy.

In the few minutes remaining, I want to talk about the proposal not to pay any PIP for the first six months. What concerns me is that that will impact severely on people who have a sudden onset of a very disabling

[Mr Reid]

condition, such as a stroke, cancer or the loss of a limb. Thankfully, that happens only to a relatively small number of people of working age, which means that any savings the Government would make would be very small. However, for someone in that unfortunate position the first six months is often when the costs are greatest. They and their families have to adjust to the sudden reality of coping with a disability. During those months, people are often faced with extra costs such as special aids, adaptations to their homes or frequent trips to a specialist hospital that might be far from where they live. Adaptations to the home are up-front costs that need to be paid within the first six months. Depending on their condition, those people might face many other costs.

Another relevant issue is that until PIP is awarded, other benefits such as carer's allowance are not available. Therefore, I urge the Government to look carefully at ways of taking those circumstances into account and see whether they can find a way to make financial help available for people in that position so that they can cope with the extra costs they face in the six months after the onset of the condition.

Sheila Gilmore: I want to speak briefly to the question of three and six months, because the Government have said that people will be able to find other forms of assistance. What they mean by that is means-tested assistance, but many people will not qualify for it, because their partner might earn as little as £7,500 a year or have—

6 pm

Debate interrupted (Programme Order, 13 June).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the amendment be made.

Question negatived.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Clause 79

REQUIRED PERIOD CONDITION: FURTHER PROVISION

Amendment proposed: 44, page 56, line 45, leave out '6' and insert '3'.—*(Margaret Curran.)*

Question put, That the amendment be made.

The House divided: Ayes 239, Noes 294.

Division No. 295] **[6 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun

Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Mulholland, Greg
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Phil Wilson and Mark Hendrick

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Byles, Dan
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Harvey, Nick
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Norman, Jesse
Nuttall, Mr David

O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Patel, Priti
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Shailesh Vara and Jeremy Wright

Question accordingly negatived.

Clause 83

PERSONS RECEIVING CERTAIN SERVICES

Amendment proposed: 42, page 58, line 40, at beginning insert—

'(3) The condition is that the person is an in-patient of a hospital.

(4) '.—*(Margaret Curran.)*

Question put, That the amendment be made.

The House divided: Ayes 239, Noes 295.

Division No. 296] **[6.16 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bottomley, Sir Peter
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William

McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Phil Wilson and Mark Hendrick

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Harvey, Nick
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David

Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Patel, Priti
Pawsey, Mark
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Shailesh Vara and Mark Hunter

Question accordingly negatived.

Schedule 14

REPEALS

Amendments made: 20, page 165, leave out line 25 and insert—

'In section 37(1)—(a) in paragraph (a)(i), "6, 7"; (b) paragraph (ab).'

Amendment 21, page 165, line 35, at end insert 'and (1A)'.—*(Chris Grayling.)*

Ed Balls (Morley and Outwood) (Lab/Co-op): On a point of order, Mr Deputy Speaker. In the last hour, the BBC has announced that the Chancellor will tell the City of London at the Mansion House dinner tonight that he has decided to sell off Northern Rock, currently in state ownership, and has rejected the options of flotation or selling it as a mutual. Instead it will be sold in a private sale. Has there been any indication that the Chancellor will make a statement in this House before the speech in the City of London? Do you agree that Parliament and the public should hear about this first, before the City of London Mansion House dinner?

Mr Deputy Speaker (Mr Lindsay Hoyle): I have been given no indication by the Treasury Bench or any Department that there is to be a statement this evening. I am sure that the Treasury Bench will have heard the right hon. Gentleman's concerns.

John McDonnell: On a point of order, Mr Deputy Speaker. We have just finished the Report stage of the Welfare Reform Bill, but we have failed yet again to reach major parts of the Bill, particularly amendments on the cap on benefits, which I totally oppose and think are a disturbing element of the Bill. As the Leader of the House is here, may I say to him through you, Mr Deputy Speaker, that we are exhibiting to the general public that the House is not working if we are not reaching major parts of such an important Bill. I would hope that the Government would consider pausing, as they did with the NHS Bill, and thinking again in the light of today's debate.

Mr Deputy Speaker: The programme motion—

The Secretary of State for Work and Pensions (Mr Iain Duncan Smith) *rose—*

Mr Deputy Speaker: I call Mr Duncan Smith.

Mr Duncan Smith: Further to that point of order, Mr Deputy Speaker. It might be of assistance to the House to remind those who were not in the Committee that every single clause was debated there, and we have also had two days on Report, which is almost unprecedented.

Mr Deputy Speaker: This seems to be a continuation of the debate on the programme motion, which was decided on Monday. It was agreed by the House so this is not a matter for the Chair. Let us now move on, in the short time we have, to Third Reading.

Third Reading

6.30 pm

Mr Duncan Smith: I beg to move, That the Bill be now read the Third time.

I am conscious that we have only half an hour, so I will try to make some progress. A great deal has been debated, but I am happy to take a couple of interventions. I recognise that some others on the Back Benches would like to say something because they did not get in earlier, and I think we ought to leave them some time.

The Bill allows us to start dealing once and for all with the welfare dependency we inherited. Just the other week we learned from the Office for National Statistics that there are now nearly twice as many households in the UK where no one has ever worked as there were in 1997, and today there are nearly 2 million children

growing up in workless households—children with no positive role models who can teach them the benefits of work. This entrenched worklessness is the issue, and is the product of a broken welfare system that takes away up to 96p in every pound earned as people increase their hours in work. It is a system that shunts people from employment programme to employment programme, never looking at them as individuals but as collective groups. It is a system that provides disabled people with outdated and complex support that often fails them when they most need it. By the end of Labour's term in office, that system left us with income inequality at its highest level since records began, despite the billions Labour spent. The backdrop to this social breakdown was the inheritance of an economy that was absolutely on its knees when we came into government.

Sarah Newton (Truro and Falmouth) (Con): Given the shameless scaremongering in the Chamber today at Prime Minister's Question Time and during this debate, can the Secretary of State assure us that people recovering from cancer will not have their benefits taken away from them?

Mr Duncan Smith: I was not going to pick up on that, but given that my hon. Friend has asked me, I will say that the reality, which is clear, is that the Government inherited the employment and support allowance reform from the previous Government. It was this Government who exempted cancer patients on chemotherapy in hospitals; they were not exempted by the previous Government. Our record on this is therefore quite good. As for the exchange at Prime Minister's Question Time, it is also important to say that if somebody cannot take work, they will remain on the support group or be moved to the support group, where they will continue to receive full support indefinitely—and it will not be income-related.

Stephen Timms *rose—*

Mr Duncan Smith: One moment, one moment. Let me finish, all right?

In reality, therefore, people on the work-related activity group will already have been seen to be able to do some work with some assistance—that is the key—and of course, as has long been the case, those benefits are income-related. It is also important to note that the figure that Macmillan produced today—of 7,000 people losing everything—is not altogether accurate, because—*[Interruption.]* No, no, because 60% of the people it was talking about will continue to receive some form of support; they will not be losing all their money. We will not be moving those on chemo. We are looking to review the situation under Professor Harrington to see how much further we can go, but the fact is that if someone is not capable of work and is too ill, they will be on the support group.

Stephen Timms: Can the Secretary of State confirm, however, that people receiving oral chemotherapy and oral radiotherapy are in the work-related activity group, and that if they are halfway through their treatment and it gets to a year, they will lose all their contributory benefit?

Mr Duncan Smith: Not if they are on income-related benefit. Of course they will absolutely continue to get the income-related support. The point is that this—*[Interruption.]* Wait a minute. The right hon. Gentleman knows very well—he should stop playing silly games—that we have asked—*[Interruption.]* No, no—*[Interruption.]* Grow up, for God's sake! He has to recognise that we have asked Professor Harrington to review that, because that is a later form of chemotherapy, and he will report back. Whatever his recommendations are, we have said that we will accept that. The right hon. Gentleman knows that, and I suspect that he should have said it when he got up at the Dispatch Box. *[Interruption.]* I think I have done that; I just wish that the Opposition would not play politics with people's fears and concerns. They made no arrangements at all for cancer patients on ESA, so we will take no lessons whatever from them.

We are now paying as a result of Labour's mismanagement of the economy, which is causing all the problems and which is why, even in this Bill, we are having to find savings, with an eye-watering £120 million a day going to pay off the interest alone on the debt that the last Government left us. It is because of the deficit reduction plan that Britain has put in place that we have managed to keep our borrowing costs low and comparable to Germany's rather than to those faced by Portugal, Ireland or Greece. These need to be seen in context, but I want to—

Frank Dobson (Holborn and St Pancras) (Lab): On a point of order, Mr Speaker. To remain in order on Third Reading, is it not necessary to talk only about the content of the Bill, not things external to it?

Mr Speaker: That is correct. On Third Reading, all speakers must focus on what is in the Bill, not what is excluded from or outside it.

Mr Duncan Smith: I agree, Mr Speaker, which is why I have done nothing but refer to the reasons for the Bill, the rationale behind it and what is in it, hence the cancer point that we have talked about.

Let me proceed to the issue of the benefit cap, which I do not think the Opposition ever wanted to get to. Our reforms are fundamentally about fairness: fairness to recipients, but also—and too often forgotten—fairness to the hard-pressed taxpayers who have to pay for those on benefits. Across a range of areas, we have made changes designed to ensure that people on benefits cannot live a lifestyle that is unattainable to those who are in work. Let us take the benefit cap—an issue on which the Opposition have got themselves in a bit of a mess. Just two days ago, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), who is now in his place, told the House:

> "The cap on overall benefits...is an important part of the legislation".—[*Official Report*, 13 June 2011; Vol. 529, c. 491.]

However, it is now clear that his own party is completely divided on the matter. Even late last night, the Opposition tabled an amendment that they knew they would not be allowed to vote on—a starred amendment—just so that they could posture and appease their Back Benchers, who are on the wrong side of the debate entirely. *[Interruption.]* No, no, the Opposition know very well that they had days to table that amendment, but they did not bother—I suppose that the right hon. Gentleman will say that he did know that there was a time limit on tabling amendments. The reality is that the Opposition

[Mr Duncan Smith]

are opposed to the cap. They should be honest and say that they do not want it. Indeed, even their amendment would have knocked out the entire effect of the cap.

Let me turn to conditionality, another issue in the Bill.

Simon Hughes: Before the Secretary of State leaves the benefit cap, let me say that I understand the reason for a national benefit cap. Does he accept, however, that colleagues across the House are concerned that in London, because of the cost of housing, there is a special issue that deserves further debate? I wonder whether he would be willing to meet colleagues from all parties, local government, the Mayor, housing providers and the Housing Minister so that we can get the problem sorted for all those with an interest in London.

Mr Duncan Smith: I have always said that the door is open to everybody to discuss the effects and how some of them can be ameliorated—or not, depending on what the issues are. The answer is therefore yes—as a London MP, I should join that delegation too—although I still believe that we have the right policy, because it is about balancing fairness for those hard-working people who pay their taxes who often feel that those beyond work are not working themselves.

Sheila Gilmore: Will the Secretary of State give way?

Steve Baker (Wycombe) (Con): Will the Secretary of State give way?

Mr Duncan Smith: I will give way only once or twice more, and I give way now to my hon. Friend.

Steve Baker: I am most grateful to the Secretary of State. Will he join me in reminding the House that, by dint of great effort, in 2011-12—*[Interruption]*—I assure the hon. Member for Glasgow East (Margaret Curran) that this comes from the HMRC website, not the Whips—the pay-as-you-earn tax threshold will be just £7,475 a year? Will he also remind the House that the people paying tax—that is, paying tax to pay the benefits that others are in receipt of—are actually poorly paid and that a year's pay on the national minimum wage is just £12,300? Will he join me in recognising that it is an issue of social justice that we should introduce the benefits cap?

Mr Speaker: Order. May I just remind Members that interventions should be brief? I know that the Secretary of State and others will be conscious that other people want to speak in the debate.

Mr Duncan Smith: I agree with my hon. Friend. That point is also powerfully made by the fact that nearly half of all those who are working and paying taxes fall below the level of the cap. It is important to achieve a balance of fairness. I recognise that there are issues, and we have looked at ways in which the process of change in housing benefit can be done more carefully, for example. This is not about punishing people; it is about establishing a principle that fairness runs through the whole of the benefit system.

Sheila Gilmore: The Secretary of State wishes to present the Bill as being about people who are workless or feckless, but hard-working taxpayers who suddenly fall ill and are unable to claim the personal independence payment for six months could well be excluded from benefits because they have been savers. Is that fair?

Mr Duncan Smith: If the hon. Lady had looked at what the cap covers, she would know that those on tax credit will be exempt, as will those on DLA, widows and others who are in difficulties. The cap is about those who we believe should be able to go to work but are not doing so. Of course, this would just be all stick if it were not for the fact that the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) had recently introduced the biggest back-to-work programme this country has ever seen, to support those in greatest difficulty. Universal credit is about helping to improve people's incomes when we get them back into work with a bigger incentive. We are striking a fair balance by doing all that while also placing some expectations on those who are waiting to go to work.

That is also the point of the next bit, which is about conditionality and sanctions. The Bill places a level of responsibility back into the system by strengthening our conditionality and sanctions regime and requiring all claimants to accept a claimant commitment setting out their individual responsibilities—a sort of contract that will enable them to understand that they have certain obligations and that there are certain things that we are obligated to do for them. That is fair. Many claimants I have spoken to out there are completely confused about what they should or should not be doing.

When those responsibilities are not met, we will have the power to apply a robust set of sanctions, which will be made clear to the claimant at the beginning. Opposition Front Bench who were in the previous Government will know from going round jobcentres that claimants often still profess, even at the last moment, to having no knowledge of the fact that they will face sanctions if they do not comply. So we are going to let them know early exactly what the sanctions will be. As with universal credit, they will then have a clearer understanding of what they are meant to be doing.

The next area, which we have dealt with in some detail, involves the personal independence payment. We are bringing more responsibility to the system, but I believe that we are also improving support for those who are able to work and for those who are not. Disability support is an issue. The Bill makes critical changes to the system, and the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller) made a sterling effort to explain them in Committee and on Report.

The changes to the current system of disability support will ensure that disability living allowance is no longer awarded on the basis of subjective and inconsistent decisions. I hope that all hon. Members will recognise that this is a bold attempt to bring this area of benefit up to date and to ensure that those who are not getting what they should will do so, and that those, however many there are, who are getting too much or not the right amount will get that adjusted as well. The truth is that this will be based on their ability to live their lives.

I agree with my hon. Friend the Minister about the checks involved. The DLA will be replaced in total by a personal independence payment, which will be based, for the first time, on regular and objective assessments of need.

This brings me to perhaps the biggest thing in the Bill: universal credit. This lies at the heart of all our reforms. It involves the principle that it should no longer be possible for people to be better off on benefits than in work, or for people to fear moving into work. I say "fear" because people are often concerned because they simply cannot tell whether they will be better off or worse off in work. No longer are we going to try to pick the number of hours that somebody should be working; rather, we will say to them, "You must make that choice, in line with work, relevant to your caring responsibilities and all the other issues that affect you." This is a bold reform to help people to improve their chances and give them the assistance they need. That goes alongside the Work programme, as I said earlier, which will support all those people who are trying desperately to make the best of their difficult conditions and get back to work.

Frank Dobson: In view of the complexities encompassed in the universal credit, does the Secretary of State seriously believe that the Government are capable of producing a computer system that will work properly from the start?

Mr Duncan Smith: The right hon. Gentleman refers to complexities—he and I have discussed many issues before—and this present system is so complex that if he were in the situation of many of the people in his constituency, he would find it incredibly difficult to know whether or not they are better off. The principle behind the Bill is that we must try to achieve that. If he wants to know my honest opinion, I believe that we will be able to make it happen. We are working hard to make sure that this medium-level change to IT works out. I recognise it as such a change. I have had conversations about it with his Front-Bench colleague, the right hon. Member for East Ham (Stephen Timms). Our views may differ slightly, but the reality is that the process has to happen; IT development is part of the process. I give the right hon. Gentleman as much of a guarantee as I can that we will deliver it—right and on time.

Some 2.7 million households will be better off as a result of the universal credit and almost 85% of the gains—I hope that Opposition Members will support this aspect—will go ultimately to the bottom 40% of people in the income distribution. I would have thought that they wanted to support that. My concern throughout the debates—I now want to bring my comments rapidly to a conclusion—has been that it is not at all clear what exactly the Opposition support and what they do not support. By their actions and by what they say, there is no commonality.

The Opposition tabled more than 200 amendments in Committee, but voted on them only 16 times. They have complained that we did not allow enough time for consideration of issues on Report and then, on the day before yesterday, they proceeded to talk for more than an hour on amendments that they did not even push to a vote. If they had not done that, they would easily have had a chance to debate some of these other areas.

When it comes to spending commitments, the Opposition do not seem to know whether they are coming or going. They would have us believe that they would have taken responsible decisions on the economy, but if they had had their way in Committee, the amendments would have entailed extra spending commitments running into billions of pounds. Not once have they said that they approve of any of the changes or the savings within the scope of the Bill. It was all the more surprising when, the other day, the right hon. Member for Birmingham, Hodge Hill complained—irony of ironies—that the housing benefit bill is apparently set to increase in the course of this Parliament. Imagine that—the man who watched while housing benefit spending crashed through the roof, nearly doubling in 10 years, and was set under his Government to rise by a further £2.5 billion in this Parliament alone, has started to tell us that somehow we are not being harsh enough. What a contrast with his hon. Friend the Member for Westminster North (Ms Buck) in her place beside him, who claimed that our changes to housing benefit

"would lead to social cleansing on an unprecedented scale."

Frankly, they need to get their act together, as they do not seem to know whether they are in favour or against cuts—or whether they simply do not agree with anything.

The right hon. Member for Birmingham, Hodge Hill wants to speak, so I shall finish. These measures have always been about welfare reform that forms a contract with the people of this country. It is a promise on our part to provide a simpler, fairer system that protects the most vulnerable and makes work pay; and a promise on the part of those who are claiming benefits to play their part, to look for work whenever they are able to do so, and to take some of the responsibility that the right hon. Member for Doncaster North (Edward Miliband)spoke of just two days ago—although half of his party does not agree with him. As I said before, this is about fairness to recipients and fairness to the hard-pressed taxpayer. On that basis, I ask all Members to get behind this Bill, and perhaps the Opposition will make up their minds about whether or not they are in favour of this reform.

6.49 pm

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): I am grateful for the chance to speak on Third Reading this evening. I am glad that the Bill has finally come back to the House and I wish I could say that I thought the Bill's passage through this place had improved it. I cannot with justice say that. We said from the outset that we wanted to approach this question in a spirit of national consensus.

The Opposition are proud of our record of delivering welfare reform in this country. I am glad that the Secretary of State referred to statistics from the Office for National Statistics that were published the other day because they were the same statistics that confirmed that by 2008 the claimant count was half the level we were left by the previous Government back in 1997. The number of people claiming unemployment benefit for more than 12 months in that year was down to a quarter of the level we inherited in 1997, so, no, it is not a surprise that his own welfare Minister, Lord Freud, said that our record of delivering welfare reform was remarkable.

[Mr Liam Byrne]

On Monday night, I set out how I thought that further reforms should be made to toughen the responsibility to get back into work and to enshrine a culture of work in every community in this country. Throughout the passage of the Bill, we have sought to table amendments that would have improved it and allowed it to leave this place for the better. The Government have refused to listen and have refused to accept advice and amendments. The Bill presented to this House might have started with an instinct for compassionate Conservatism in action, but we have in front of us tonight a law that cuts benefits for people with cancer when the Minister says that they will not be ready to work by the time that cut hits them.

I said that we would not oppose the Bill on Second Reading to give the Government some space to improve it. We back welfare reform that gets people back to work and that simplifies the benefit system. We support the principle of universal credit and we support sanctions for those who are not trying hard enough to get a job. We support a cap on benefits if it saves public money, but this is where the agreement ends, not least because this Bill is so cold and so hard that it ends a tradition of compassion in the welfare state that we should conserve and not consign to history.

Once upon a time, this Secretary of State knew about compassion. In 2009, he said that the welfare state is a symbol of a compassionate and civilised society. I think that he has honourable intentions, but he has not presented us tonight with a Bill that is in an honourable state. It is, frankly, a disgrace that the Government have not found additional time to debate cuts to contributory ESA that would cut benefits to people with cancer before they are fully recovered. My right hon. Friend the Member for East Ham (Stephen Timms) asked for additional time from the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling), on Monday, but he refused to give the House that time.

To single out for the proposed cuts benefits that would allow cancer patients to go on receiving the benefits they need is unacceptable. It is unacceptable because it is an attack on compassion. It is unacceptable because we cannot ask people who are still battling cancer to start filling out job applications. It is unacceptable because most of us in the Chamber tonight will either have personal experience or families with experience of the truth that it takes more than courage to beat cancer and finding a job is not part of any recovery programme I have heard doctors recommend. Worse, this is a benefit that people have actually paid in for. Now, when they need it most, it is being taken away.

Ciaran Devane, the chief executive of Macmillan Cancer Support, said:

> "Many cancer patients will lose this crucial benefit simply because they have not recovered quickly enough...This proposal in the Welfare Reform Bill will have a devastating impact on many cancer patients. We are urging the government to change their plans to reform key disability benefits to ensure cancer patients and their families are not pushed into poverty."

Even at this late stage, I ask the Secretary of State to speak to his friend the Prime Minister and to sit down with cancer charities, disability groups and other campaigners to try to get this sorted out. I ask him to take heed of what Owen Sharp, the chief executive of the Prostate Cancer Charity, has said this afternoon:

> "The changes to disability benefits will mean that a significant number of people with cancer will be left without vital financial support at a time when they need it the most...The current proposals in the Welfare Reform Bill will discriminate against cancer patients and should be amended."

Perhaps the Government would be on stronger ground if only a tiny minority of people were affected, so the House is right to ask how many people will be hurt. On 16 May, the Government told us: 77% of people in the work-related activity group will not have recovered from their condition after a year, yet that is when their benefit will be cut. How on earth can that be justified? The Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell gave us his answer in Committee when he said that

> "this is a sensible measure".—[*Official Report*, Welfare Reform Public Bill Committee, 3 May 2011; c. 655.]

It is a decision that is, in his words, "not about recovery times".

Perhaps I could understand that argument if I felt that the Department had its spending priorities straight, but the truth is that its message is so harsh that it has had to hire media trainers to teach the Minister with responsibility for disability, the Under-Secretary of State for Work and Pensions, the hon. Member for Basingstoke (Maria Miller), how to spin her lines. The Department has passed to me documents that detail the media training bill for her, which equals three and a half months' worth of somebody's employment and support allowance, which would be cut. It is a shame that her expensive eloquence was not more convincing this afternoon. Cutting benefits for people with disabilities and hiring media trainers instead—that tells us all we need to know about this Secretary of State's priorities.

Mr Duncan Smith: Will the right hon. Gentleman give way?

Mr Byrne: I am afraid that I will not—*[Interruption.]* No, because the Secretary of State talked for well over the time we agreed through the usual channels this afternoon and he is now wasting—*[Interruption.]*

Mr Speaker: Order. Mr Rob Wilson, you have just toddled into the Chamber, do not shout across the Chamber in that way. *[Interruption.]* No, no; do not argue the point. *[Interruption.]* Order. I am telling the hon. Gentleman—*[Interruption.]* I do not need any expression; I am telling him what the situation is.

Mr Byrne: Thank you, Mr Speaker. I say to Liberal Democrat Members tonight that today is the deadline for advice on motions to their conference and one has found its way to me this afternoon. They should listen to what their grass roots are saying—that they should support the amendments that we tabled on Report. The Liberal Democrats should not be fooled by the idea that to succeed in politics one has to rise above one's principles, and they should not betray the principles of Lloyd George, Beveridge and Keynes for the political convenience of the hour. They should show us, show people and show their grass roots that like us they have heard the voices of the vulnerable, who are calling on them to act—and to act tonight.

As if the cuts for cancer patients in clause 51 were not bad enough, they are rendered worse by the determination of this Government to leave people on disability benefits as prisoners in their own homes. On Saturday morning, my constituent Stephen McClaren came to see me. He has cerebral palsy, attention deficit hyperactivity disorder, learning disabilities and he gets these mobility payments in order to help him to see his mum, go to the gym and live the quiet miracle of a normal life. These plans have filled him with fear. He and 80,000 disabled people are now worried sick about what the Government have in store for them.

The charities say that the changes are "fundamentally unfair", so what is going on? The Prime Minister has said that the DLA mobility component will not be cut for those in residential care homes—that is what he told the House on 23 March—but the Budget book says that cuts to the DLA mobility component will total £475 million from people in residential care by 2015. Who is telling the truth? We now know that there is a review, but today is the Third Reading of the Bill. The Government want to change the law, but what is their policy? It is a secret. The Minister for spin, the hon. Member for Basingstoke has said, with her new expensive eloquence, that the Government

"have no plans to publish the findings of this work".—[*Official Report*, 9 May 2011; Vol. 527, c. 1003W.]

Tonight, we are supposed to give the Government powers to abolish the benefit when their evidence for reform is to be kept secret. What a shambles.

The Bill violates every basic test of compassion and, just as bad, it also fails the test of fostering ambition to work. I know that the Secretary of State is trying as hard as possible to introduce reforms that will help to make sure that work pays, but he cannot honourably say that and give that guarantee for anyone with children because he cannot make up his mind how much parents are going to get for child care under universal credit. We are being told that that credit will be abolished tonight with no sense of what is going to come in its place.

In February, the Secretary of State was unable to say what the Government's plans are. He told the House, not once but twice—most recently on 24 March, I think—that he would tell us, here in the House before the Bill got through the Committee stage, that he would publish his child care policy. Leaked documents from the DWP say that the cuts could disadvantage 250,000 people, cutting support almost by half, yet tonight we are at Third Reading and the Secretary of State still has not told us what his plans are for child care.

There are new penalties in the Bill for savers. There are new penalties for the self-employed. The Bill was supposed to be a milestone in the evolution of the Government and the compassionate Conservatism they espoused, but tonight they have been found out. We have a law to hurt cancer patients and a Bill to trap the disabled, confusion for parents and penalties for savers. Whether people are ill, disabled or working hard to do the right thing, the Government are determined to attack the benefits they paid to receive. We should stand up—

7 pm

Debate interrupted (Programme Order, 13 June).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the Bill be now read the Third time.

The House divided: Ayes 288, Noes 238.

Division No. 297] **[7 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Chope, Mr Christopher
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Harvey, Nick
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris

Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Mrs Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Pawsey, Mark
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and
Mr Shailesh Vara

NOES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jon
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hosie, Stewart
Howarth, rh Mr George

Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Phil Wilson and Mark Hendrick

Question accordingly agreed to.

Bill read the Third time and passed.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

Cultivation of Genetically Modified Crops

That this House takes note of European Union Document No. 12371/10, a Commission Communication on the freedom for Member States to decide on the cultivation of genetically modified crops; Document No. C(2010) 4822, a Commission Recommendation on guidelines for the development of national co-existence measures to avoid the unintended presence of Genetically Modified Organisms (GMOs) in conventional and organic crops; and Document No. COM(10) 375, a draft Regulation amending Directive 2001/18/EC in relation to the ability of Member States to restrict or prohibit the cultivation of GMOs in their territory; and supports the Government's view that the Commission's legislative proposal raises significant concerns and should not be supported by the UK.—*(Angela Watkinson.)*

Question agreed to.

Kidderminster Enterprise Zone

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

7.13 pm

Mark Garnier (Wyre Forest) (Con): I thank the Minister for his time this evening to hear the case for the Kidderminster enterprise zone bid. I am pleased to be able to hold this debate because I am passionate about the future of the local economy, not just in Kidderminster or even in Wyre Forest but in the whole of Worcestershire.

What we are debating this evening is more than just Kidderminster's enterprise zone bid. It is about how the Worcestershire local enterprise partnership has come together with enthusiasm and considered the many submissions from across the county, and how the business community has worked through the options and come up with what it believes is the best possible enterprise zone bid for the whole county. I am delighted to see so many Members present, and members of the business community in Worcestershire have come down this evening to show their support for this incredibly important bid.

Before I speak more specifically about Kidderminster, I want to speak about Worcestershire as a whole. I do this because it is important to remember that it is the Worcestershire LEP that has looked carefully at the county and decided that the best option for the county—not just for Wyre Forest—is the Kidderminster business enterprise zone. It is important that it becomes an enterprise zone because it is a strong and early bidder for a county-wide enterprise partnership that will bring together business, civic and third sector leaders as an effective advocate for the whole county.

Worcestershire has around 560,000 residents, and across the county there are a number of strong but localised industrial specialisms. We have agriculture and food processing in Wychavon and the Malvern hills, research and development in Malvern and automotive-related industries in Bromsgrove and Redditch.

Karen Lumley (Redditch) (Con): Does my hon. Friend agree that although the bid from Kidderminster is great, we must all work together with the Worcestershire LEP to ensure that in future years other areas have successful bids, including my constituency?

Mark Garnier: My hon. Friend makes a good point; this is about the whole of Worcestershire and it is incredibly important that we work together for this important opportunity.

Harriett Baldwin (West Worcestershire) (Con): I thank my hon. Friend and neighbour for securing this extremely useful debate. Does he agree that developing the Kidderminster enterprise zone would be extremely beneficial, particularly for those in the north of my constituency, because it would be so easy for them to travel to Kidderminster for work?

Mark Garnier: My hon. Friend makes a very good point. The whole point about an enterprise zone is that it will not only help people in the immediate vicinity, but attract many people and a lot of economic activity from a fairly wide area—a point I will develop later in my speech. The economy of the south of the county looks to the rural and research-based drivers in her constituency, and the north of the county looks to the black country as its engine for growth. It is for this reason that strengthening the advanced manufacturing base in the north of the county will draw down the manufacturing prosperity of the black country into Worcestershire.

The issues Worcestershire faces are important and the LEP has already got to grips with the major economic priorities and challenges that the county will face in the coming years. Crucially, private sector employment shrunk over the past decade by 1%. This trend was more marked in the north of the county, with Kidderminster seeing an 8% reduction in private sector employment and Redditch seeing a 14% reduction. That said, Redditch has a greater proportion of manufacturing jobs in the region, which is encouraging.

Moreover, work by the West Midlands Regional Observatory shows that Kidderminster and, to a lesser extent, Redditch suffer from problems relating to longer-term restructuring and job losses from the contraction of their industrial base, lower employment rates and higher claimant levels, especially among young people, and a higher proportion of the working-age population having no qualifications at all. To deal with those issues, the LEP sees restructuring the local economy away from public sector jobs, supporting and growing the tourism industry, and building on the industrial assets in the north as the key priorities. It was with this in mind that the Worcestershire LEP identified Kidderminster as the unanimous option for the Worcestershire bid for an enterprise zone.

The town of Kidderminster was once the hub of the world's carpet industry, with some 20,000 people employed in that key industry as recently as the '70s and '80s. Carpets declined as the preferred floor covering, although I am pleased to say that that trend is now in reverse.

Karen Bradley (Staffordshire Moorlands) (Con): I am listening carefully to what my hon. Friend is saying. It is a great relief to me, as I represent a Staffordshire constituency, that we are no longer under a regional development agency, as what works in one place in the west midlands does not necessarily work in Staffordshire, so I am delighted that we now have the Staffordshire and Stoke-on-Trent LEP. However, I have to stand up for Minton floor tiles and say that, although carpets in Kidderminster are important, floor tiles are equally so.

Mark Garnier: They certainly are, but I must say that one cannot get a better carpet than those made in Kidderminster. My hon. Friend makes a good point about Advantage West Midlands, which is now disappearing. The LEPs are incredibly strong because they bring together enterprise and business to try to structure what they need economically, and the way in which some enterprise zones in the west midlands have come together to take advantage of that opportunity and build on it is very encouraging.

I am pleased to see my friend and co-chair of the all-party group on the economy of the west midlands, the hon. Member for Dudley North (Ian Austin), in the Chamber in support, because it is incredibly important that we work together across the whole of the west midlands to ensure that we have a strong local economy.

The carpet industry in Kidderminster, as I said, employed 20,000 people, but now we have fewer than 2,000 working locally in that once-great sector. Having said that, I must note that Kidderminster produces some of the finest carpets on the planet, and that is very encouraging. Kidderminster and the wider Wyre Forest now find themselves a post-industrial area, with a handful of significant employers but 5,000-plus small and micro-businesses. Local unemployment in Wyre Forest stands at 4.6% overall, but the figure I find most upsetting is that of the 18 to 24-year-olds not in education, employment or training, the so-called NEETs, who number 9.1% against an equally tragic but lower 7.2% for the wider county.

The Kidderminster and wider Wyre Forest area is made of stern stuff, and the local district council is keen to promote growth. In 2009, Wyre Forest district council created a private-led regeneration project known as the ReWyre initiative, which is helping to drive forward the economic growth of local businesses in Wyre Forest and, combined with the new LEP private enterprise, taking a firm lead in driving forward economic regeneration.

Owing to that already strong local drive and the early establishment of the Worcestershire LEP, the opportunity for a Kidderminster enterprise zone was seized unanimously. The proposal is to establish an enterprise zone, the South Kidderminster business park, in an area broadly defined by two main arterial roads through the district, the Stourport road and Worcester road business corridors. There is already significant economic activity in those areas, and, although some 3 hectares of previously speculatively developed site is available for immediate occupation, a further 44.5 hectares of brownfield site is available for redevelopment and the specific needs of new and relocating businesses to the enterprise zone.

It is anticipated that that redevelopment alone will bring some 4,000 new jobs to Kidderminster and Wyre Forest, and importantly not just the people of Kidderminster but the wider county of Worcestershire will benefit from those jobs. It is anticipated also that the enterprise zone's local stimulus will benefit many existing businesses and create new jobs in the wider area, particularly in the towns of Stourport-on-Severn, Bewdley and Redditch.

Ian Austin (Dudley North) (Lab): I congratulate the hon. Gentleman on securing this debate and commend him for his valuable work for and great contribution to the all-party group that we have established for the regional economy. Does he agree that it is not just the towns of Stourport, Bewdley and Kidderminster that will benefit from the establishment of the enterprise zone, but the black country towns of Dudley, Sandwell, Walsall and Wolverhampton? If greater enterprise, more jobs and prosperity can be brought to areas such as Kidderminster, that will only benefit the constituents I represent just a few miles away in the black country, and that is why I assure the hon. Gentleman that the bid will receive my support and, no doubt, that of other black country MPs.

Mark Garnier: I am incredibly grateful to the hon. Gentleman for that intervention. It shows the cross-party support for the local economy in the black country and the west midlands, and that we are all coming together to try to support the local economy, to move things forward and to deal with the issues that face us. They include slightly stagnant economic growth, but we will deal with that through local enterprise partnerships and business expansion zones.

The development's knock-on effect will be incredibly important. The Stourport road corridor runs through one of the most deprived wards in England and Wales, Oldington and Foley Park, where almost 8% of residents are on jobseeker's allowance and almost 30% of 18 to 24-year-olds are NEETs. There will be not only an immediate impact on local unemployment, but a long-term change of prospects for the large numbers of families who have been hit by the long-term decline of the carpet industry—families whose unemployment can be measured not in weeks, months or years but, in far too many cases, in generations.

Specifically, it is anticipated that growth in the Kidderminster business park will come from a mix of new businesses moving to the area, the expansion of existing businesses benefiting from the local economic stimulus and, importantly, the creation of new businesses, all of which will take advantage of the local mix of good and available skills, existing supply-chain businesses, the availability of land and existing property for immediate use and, of course, the incentives available through the enterprise zone.

The existing and well established ReWyre initiative and the Worcestershire LEP, working together in partnership, will manage and implement the enterprise zone. Not only will they draw up a flexible and sustainable investment plan for the zone, but crucially they will create a single, strong marketing identity, developing a vision for the zone and the district for the next one or two decades. South Kidderminster business park already benefits from an up-to-date local development framework, with the Wyre Forest core strategy having been adopted in December last year. The core strategy already identifies the fact that South Kidderminster business park will offer attractive, accessible and high-quality employment locations. The area also provides a strong and clear basis for the designation of local development orders, simplifying planning requirements and thus accelerating development opportunities.

What is important about the Kidderminster business zone bid is that there are qualified, work-ready people willing to take on work immediately. I recently spoke to a local employer who was advertising for new staff and who told me that he was inundated with good-quality candidates, all of whom he could have taken on. That is as good an indicator as any of a willing and ready work force available to meet the needs of new businesses in Kidderminster.

The Wyre Forest and Kidderminster area is an incredibly wonderful place to live. At that all-important final meeting when the managing director of a company seeking to relocate to a town such as Kidderminster has to discuss moving home with his or her family, I am sure that the family members will relish the opportunity of living in an area with outstanding natural beauty, fascinating towns, excellent nearby shopping, good schools, and a wide range of activities to keep any family healthy and happy. *[Interruption.]* And good carpets, yes.

I am here to urge the Minister to do everything he can to help Kidderminster's bid to pass successfully through the selection process. The ingredients for success are already there. We have an available and willing work force ready for immediate employment. We have available

[Mark Garnier]

space for new businesses to take up immediately. We have a local development plan already in place supporting South Kidderminster business park. We have a local business organisation—the ReWyre initiative—already in place to drive the Kidderminster enterprise zone forward. We have the unanimous support of the local enterprise partnership behind Kidderminster. We have the will to rebalance the local economy towards private sector employment.

Crucially, an enterprise zone in Kidderminster will help to enable our third sector partners who work in more challenging areas to prepare the long-term unemployed for long-term employment. It will raise aspirations, drive economic regeneration and give breadth to the wider Worcestershire economy. I invite the Minister to visit, because I am sure that he will agree that there is no better candidate for a business expansion zone than Kidderminster.

7.27 pm

The Minister of State, Department for Communities and Local Government (Greg Clark): How can I resist such an invitation when my hon. Friend the Member for Wyre Forest (Mark Garnier) has extolled the virtues of Kidderminster, and indeed Worcestershire, in such lyrical terms that I am surprised that every Member present is not changing their holiday plans to spend the summer there?

I sincerely congratulate my hon. Friend on securing this debate on enterprise zones in general, and Kidderminster in particular. I was enormously impressed by the chorus of approval that greeted him when he got to his feet, not only from Members from Worcestershire, welcome though their support is, but from all over the country—Staffordshire, Dudley, Brighton, Yorkshire and Oxfordshire. If he is so skilled in putting together such a supportive chorus for the Kidderminster bid, I think it will fare well.

I have to be careful in what I say; my hon. Friend places me in a difficult position. He will understand that the application process is still open—it closes later this month—and that it would be invidious of me to favour the claims of Kidderminster above those from other parts of the country. However, he has put the merits of Kidderminster forcefully on the record and into my mind.

Ian Austin: I am delighted to hear the Minister accept the invitation to visit Kidderminster. When he does that, would he prepared to make a short detour—just 12 miles or so up the road—to visit Dudley to examine the case for Government support for measures that will bring enterprise, new industries and new jobs to my constituency so that we can see growth right across not only Worcestershire but the black country?

Greg Clark: I would be very happy to extend my trip to include the black country as well as Worcestershire.

Let me take the opportunity to set out some of the background to the process that has resulted in such an enthusiastic bid from Kidderminster. Like my hon. Friend, I pay tribute to and recognise the breadth of support that he has been given. The fact that Mr Woodman and his colleagues from Worcestershire have come to the House today shows the depth of support for the case that my hon. Friend mentions.

The coalition agreement, which was published a year ago, sets out two overriding aims for the Government's term of office. The first was to get the economy back on track. The second was to achieve an historic shift in power and influence from central Government to local communities. What we are discussing encapsulates both aims. It is about living up to economic potential and realising that by giving communities their head and the ability to drive growth themselves.

This policy addresses the situation that we had before the election. My hon. Friend referred to the artificial constraints that divided some areas of the country and forced others into an uncomfortable relationship. The previous approach of regional development agencies being imposed from the top down clearly went against the grain of our historical geography and of how people live their lives locally. To that extent, it suppressed rather than enhanced the ability of different parts of the country to establish their economic identity in the same way that they have always had different characters. Part of the purpose of this degree of decentralisation is to empower different parts of the country to prosper economically.

Andrew Bridgen (North West Leicestershire) (Con): Has the Minister given any consideration to allowing a local enterprise partnership to have more than one enterprise zone at the same time if they are of a small size? Such an approach would suit an enterprise zone in the town of Coalville in Leicestershire in my constituency.

Greg Clark: My hon. Friend makes a powerful point. I did not include Leicestershire in my list of places that are represented. One characteristic of local enterprise partnerships is that they are of different sizes. We have made it clear in the guidance that we expect an LEP to make one nomination, but I hear what he says and other parts of the country, especially areas that have larger LEPs, have made a similar point. I will certainly reflect on that.

The purpose of LEPs is not just to reflect, though they do, the economic geography of the areas that they cover. In contrast to the previous approach, whereby areas had to conform to regions that were administratively determined in Whitehall rather than locally, when my colleagues and I considered how we could establish LEPs nine months ago, we gave careful thought to what areas they should cover and came to the decision that we should give people the chance to nominate the most appropriate areas and to specify the natural connections. I feel justified in giving people that possibility, because LEPs have been formed that frankly would not have been invented in the Government. They represent a reality on the ground that does not conform to the uniformity that tends to come from the central Government approach.

My hon. Friend the Member for Wyre Forest is vigorous in his promotion of the Worcestershire local enterprise partnership. I think also of north-east England, where the Tees valley—my home town of Middlesbrough and the surrounding towns—has asserted its unique characteristics. It wants to have a strong voice and to take advantage of the opportunities that have been presented, which in many cases were submerged in the

old region of the north-east, important though the connections are across that wider area. Other LEPs recognise the natural economic connections between parts of the country, even though they may be in different counties. For example, the Coast to Capital LEP covers the area from Croydon down to Brighton. The area has a lot in common and businesses see it as important.

Recognising the appropriate areas was the first step, but the second was to ensure that local enterprise partnerships were genuine partnerships—combinations of business, local communities, the voluntary sector and social enterprises. All the bids that we approved represented strong partnerships, with a degree of enthusiasm that has been striking. There is greater enthusiasm than can be obtained from a body that is a creature of government. The fact that the bid my hon. Friend described enjoys such strong business support is testament to how energy can be tapped if business and communities get the chance to work together.

The approach that we are taking in encouraging local enterprise partnerships to make decisions locally in the best interests of their population is reflected in other parts of our policy. In planning, we are introducing reforms inspired by the work that my hon. Friend the Member for Henley (John Howell) performed for the party in opposition, which will give local communities the opportunity to influence and shape their area. That is not just about housing, important though that is. Communities everywhere in the country want to have regard to their future economic prosperity, and it is important to give them the chance to promote a local plan and neighbourhood plan that reflect their best traditions and their potential, rather than make them conform to a high-level regional strategy that does not represent and reflect the different localities within it. My hon. Friend the Member for Wyre Forest said that his local council has its core strategy in place, which puts it in a strong position to take advantage of the new planning powers, including neighbourhood plans. In some areas, business will want to take a leading role in those plans along with residents, and I dare say that may be the case in Kidderminster.

Through the new homes bonus and reforms to the community infrastructure levy, we want to ensure that some of the benefits of growth stay within the community, so that they can be used to reinforce that growth and ensure that it is genuinely sustainable. People who live in an area must have a genuine reason to say yes to growth.

Up and down the country, the local enterprise partnerships that we have established are already setting a vision for the future. They are driving growth, planning for new infrastructure and seeking to attract jobs and investment. I know that the Worcestershire LEP, in particular, is in the vanguard of the movement nationally.

Let me say a word about enterprise zones themselves. As my hon. Friend knows, they were announced in this year's Budget, and we want to see 21 of them across England. We want them to be hothouses for growth and places in which we create the conditions for the public and private sectors to work closely together to create new jobs, set up new firms and attract new investment. They are there to help places with strong potential to grow to do so quickly, and he has made a strong case for Kidderminster having that potential. There is to be no hanging about, and we will make the decisions during the summer. It is important that the enterprise zones are up and running with good speed, so that the opportunities for the areas in question and for the country are maximised. I know that if it is successful, the enterprise zone bid that his LEP has made will bring with it an enthusiasm to get on with it.

On what an enterprise zone comprises, first, as my hon. Friend knows, it will involve a 100% relief from business rates, worth up to £275,000 over a five-year period. All the business rate growth generated by the zone for a period of at least 25 years will be kept by the LEP for reinvestment in the wider area. Greatly simplified planning zones will be in place through local development orders, making applications quicker and more certain for developers, and the Government will ensure that superfast broadband is rolled out across the zones.

That is the set menu, the standard elements that will be common to all local enterprise zones. However, the fact that they will be driven and promoted by the LEPs means that those elements can be adapted and supplemented to reflect the particular needs and priorities of the area. There will be an opportunity to consider the use of tax increment financing to support the long-term viability of a zone. Some aspects of local government funding are being reviewed in the local government resource review that is taking place.

We are determined that the local enterprise partnership should nominate an enterprise zone for consideration. That is the right approach, rather than Ministers centrally deciding where a zone will be. That should be a local decision.

Some enterprise zones were nominated in the first wave, but my hon. Friend makes a case for the second wave. Let me say something on the timetable for that. He will know that formal bids are due by 30 June. We hope to announce the successful LEPs during the summer. He will know that it would be inappropriate for me to go any further and to anticipate the outcome of that process, but it is obvious, from what he said and from the support that he has had from colleagues on both sides of the House, just how much support his proposal attracts. That is encouraging.

My officials are already working closely with the Worcestershire LEP and Kidderminster representatives on plans for the area. One thing that we have been particularly impressed by is the strong sense of local partnership between elected members, including councillors, businesses and the voluntary sector. The bid is therefore a strong one, but we are expecting other strong bids from other areas of the country—this is a competitive process. Whatever happens, the enthusiasm and volition to encourage growth by doing things differently locally does not rest entirely on the bid. The LEP has many powers available to it—for example, to create a simplified planning zone, or to promote discounts in business rates for certain types of businesses in particular areas. It can go ahead with such initiatives even in anticipation of an enterprise zone, and take other opportunities whether or not its bid is successful.

My hon. Friend has put a very strong case firmly on the record, and he does not have too much longer to wait before he hears the result of his passionate advocacy in the House today.

Question put and agreed to.

7.42 pm

House adjourned.

House of Commons

Thursday 16 June 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State for Culture, Olympics, Media and Sport was asked—

Digital Economy Act 2010

1. **Andrew Gwynne** (Denton and Reddish) (Lab): When he expects to implement the remaining provisions of the Digital Economy Act 2010. [59857]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): The provisions relating to the online infringement of copyright have been subject to a judicial review, but following the Government's success in that case, we hope to announce a new timetable for the implementation of the measures in the Act shortly. We hope that the initial obligations will be proportionate, fair and effective.

Andrew Gwynne: I am grateful for the Minister's response, but before the general election, his junior coalition partners campaigned fiercely to oppose web disconnection as part of the Act, and firmly pledged to take disconnection off the statute book. The coalition Government are now reviewing whether the disconnection provisions are technically workable. Does that mean that they are okay with the principle of internet disconnection, and what is the time scale for publishing Ofcom's findings on sections 17 and 18?

Mr Vaizey: I think the hon. Gentleman refers to the provisions to block websites. As he quite rightly says, Ofcom has prepared a report on that, which we will publish alongside our proposals for taking the Act forward.

Mr Tobias Ellwood (Bournemouth East) (Con): Will the Minister join me in congratulating that great academic centre of learning, Bournemouth university, on expanding its digital economy studies in areas such as media studies and graphic design? Half the technicians who worked on the science fiction film "Avatar" are graduates of the university.

Mr Vaizey: I am happy to join my hon. Friend in congratulating Bournemouth university, which I visited when I was the Opposition spokesman. It is one of the leading digital media centres, not just in this country, but, I suspect, the world.

Pete Wishart (Perth and North Perthshire) (SNP): It is over a year since this House overwhelmingly backed the 2010 Act, yet there is no sign of the key measures in it being implemented. As the Minister says, the judicial review has come and gone, and there is agreement on costs, so why does he not just face down his critics, put in a programme and get this Act implemented?

Mr Vaizey: That is exactly what we intend to do.

Mr Don Foster (Bath) (LD): Further to the Minister's earlier answer, he will recall that Liberal Democrats argued that the web blocking proposals simply would not work. Has he come to the same conclusion, and will he accept that it is vital to find ways to protect the internet protocol of creators from illegal websites? Will he tell us what will happen on that?

Mr Vaizey: As I have said, we will announce our proposals shortly. We asked Ofcom to prepare an independent report on the effectiveness of technical measures to block websites, which we will publish at the same time as our conclusions.

British Sign Language

2. **Gemma Doyle** (West Dunbartonshire) (Lab/Co-op): What steps he is taking to ensure that users of British sign language have equal access to telecommunications services; and if he will make a statement. [59858]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): We have implemented the revised EU electronic communications framework, including specific provisions relating to disability and equivalence. Ofcom has been given new powers to impose obligations with regard to equivalence on all providers through general conditions. We continue to work very closely with Ofcom and fully support its current review of relay services for deaf and hearing-impaired telecoms users, including BSL users in the UK.

Gemma Doyle: Deaf Connections tells me that there is an urgent need to introduce video relay technology to create equal access to telecoms for BSL users, but as the Minister indicates, Ofcom is about to launch its 11th publication on the issue. Will he meet Ofcom to discuss the pace of progress on access to functionally equivalent telecoms for BSL users?

Mr Vaizey: I can assure the hon. Lady that I take this issue very seriously indeed. It is not strictly accurate to say that this is the 11th Ofcom review. The review, which we look forward to, is being conducted in the light of the revised EU communications framework. Ofcom will publish a consultation document in the summer, but I have met Deaf Connections and constituents who lobby me on this issue, and I take it very seriously.

Superfast Broadband

3. **Claire Perry** (Devizes) (Con): What plans he has for the roll-out of superfast broadband. [59859]

9. **Nigel Adams** (Selby and Ainsty) (Con): What plans he has for the roll-out of superfast broadband. [59866]

16. **Mel Stride** (Central Devon) (Con): What plans he has for the roll-out of superfast broadband. [59873]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): When the Government came to office, just over £230 million had been allocated to broadband roll-out; that has now been increased to £830 million. It is still not enough, but we are determined to do what we can.

Claire Perry: The people of Wiltshire welcome the fact that they are among those receiving money in the next tranche of the high-speed broadband roll-out. However, high-speed, superfast broadband raises the spectre of children accessing inappropriate material on the internet more easily, which worries many parents. What pressure is the Minister putting on internet service providers to make access to internet porn an opt-in option? If that work fails, is he prepared to regulate to keep our children safe?

Mr Hunt: I can confirm that the Government take this issue incredibly seriously—the Bailey review on the sexualisation of youth is one indication of that. We are also having a meeting with the trade body United Kingdom Internet Sites to take the issue further. We believe strongly that internet service providers need to behave in a socially responsible way and to do what they can to protect children, so we fully support what my hon. Friend said.

Nigel Adams: What assessment has the Secretary of State made of how the roll-out of superfast broadband could support the introduction of universal video relay service in the UK, which would ensure that deaf sign language users have equal access to telecommunications?

Mr Hunt: The kinds of services that my hon. Friend mentions demonstrate exactly why it is important that we have an ambitious programme for the roll-out of superfast broadband. In the summer, Ofcom will be reviewing precisely the matter he raised. I would urge him to join me in encouraging the Labour party to get behind the agenda for superfast broadband. It is committed to 2 megabits; we are committed to superfast broadband. We want to be in the fast lane, not the slow lane.

Mel Stride: In Northlew, a small village in my constituency, a local not-for-profit organisation has ensured that about 200 subscribers now receive broadband using a microwave network. Will my right hon. Friend confirm that such technology will be covered under Broadband Delivery UK funding guidelines, so that other villages in my constituency may benefit from it?

Mr Hunt: I can confirm that our policy is technology-neutral. We are asking local authorities to come forward with a broadband plan that will secure 100% 2-meg connection, and 90% superfast broadband, but how they do that is up to them. I am aware that 8% of my hon. Friend's constituents live in "not spots", where they have no broadband access at all, and 13% of them live in houses with less than 2-meg connection. That shows what a priority this is. We want to be extremely imaginative, and I hope that we will have the support of the Labour party—

Mr Speaker: I am extremely grateful to the Secretary of State.

Mr Tom Watson (West Bromwich East) (Lab): Many consumers are removing their fixed lines and using mobile telephony to access the internet. I recently wrote to the Secretary of State to say that because of the delay to the spectrum auction, there is a potential loss to the Exchequer of £316 million. Given that O2 is threatening legal action against Ofcom that could further delay the auction, will he consider using his powers under wireless and telephony legislation to ensure that this happens sooner rather than later?

Mr Hunt: We are absolutely committed to proceeding with the spectrum auctions as soon as possible, and we will do everything necessary to make that happen. However, I want to make the broader point to the hon. Gentleman, who is pretty well-versed in technology matters, that we think that mobile is going to play a vital part in the roll-out of superfast broadband. At the moment, the amount of mobile internet data is tripling every year. We need to get that mobile data to a fixed-line fibre point as quickly as possible if we are to deal with the twentysixfold increase in mobile internet data that we expect over the net four years.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Secretary of State recently clarified in a letter to MPs that the £530 million from central Government for the roll-out of superfast broadband will have to be matched by local authorities. Where does he expect this money to come from, and on what basis does he estimate that it will be enough to deliver 90% superfast broadband coverage?

Mr Hunt: We have done a very scientific study, which we will be publishing shortly. It shows the number of areas in each local authority area with either no access or slow access, or where we think the market will not provide access. We have done that calculation, and we know the costs involved in making it possible. We are confident that local authorities will support this agenda enthusiastically, unlike, I am afraid, the hon. Lady's own Front-Bench team. So far we have had seven pilots in which local authorities have shown precisely that enthusiasm, including Wiltshire, which was mentioned by my hon. Friend the Member for Devizes (Claire Perry).

Ian Lucas (Wrexham) (Lab): The Opposition are delighted that the Secretary of State has finally woken up and recognised that there is huge interest in the delivery of broadband services. Why, then, has he put back Labour's commitment to universal broadband by a full three years? That means that rural constituencies, many of which are represented by Government Members, will lose out in the important race for growth and jobs under a Government not committed to providing the right infrastructure.

Mr Hunt: Let me start by welcoming the hon. Gentleman to the Dispatch Box in DCMS questions, and let me answer him clearly. The reason we had to put the date back three years is that there was not enough money in the kitty—something that the former Chief Secretary to the Treasury under his party knew only too well and was prepared to write down. However, we have not ditched that commitment; we have said that we will deliver it in this Parliament. Indeed, we have gone

further and said that this is not just about 2 meg, because today's superfast broadband is tomorrow's superslow broadband. I would urge the hon. Gentleman and those on his Front Bench to get behind this Government's commitment to a 90% roll-out of superfast broadband.

Rugby League World Cup

4. **Helen Jones** (Warrington North) (Lab): What steps he is taking to support the promotion of the rugby league World cup in 2013. [59861]

The Minister for Sport and the Olympics (Hugh Robertson): I have met the executive chairman and chief executive of the Rugby Football League on a number of occasions. Last November the Prime Minister provided a video message for the official launch of the 2013 rugby league World cup. The RFL is selecting venues with UK Sport's support. These will be announced in November, and I will work with RFL on its promotional campaign as it develops.

Helen Jones: I am grateful to the Minister for that answer. Does he agree that the World cup gives us an opportunity to promote a sport that is family friendly, in which there is very little trouble on or off the pitch, and which is much cheaper for families to access at the weekend than major football games? Does he also agree that the World cup gives us an opportunity to encourage visitors to some of our northern towns? This could be a win-win situation, so will he pledge to do all that he can to use the World cup to promote those ends?

Hugh Robertson: The short answer is yes. May I thank the hon. Lady for her support both for the sport in general and, in particular, for her home team? As she correctly says, any major sports event is a fantastic opportunity to drive money into the local economy. That is why we have put more money into the major events part of UK Sport, which is standing behind the rugby league World cup, which I am sure will be a terrific success.

Creative Industries Council

5. **Kerry McCarthy** (Bristol East) (Lab): What steps the creative industries council will take to help increase employment and growth in the creative industries. [59862]

6. **Mr William Bain** (Glasgow North East) (Lab): What steps the creative industries council will take to help increase employment and growth in the creative industries. [59863]

7. **Steve Rotheram** (Liverpool, Walton) (Lab): What steps the creative industries council will take to help increase employment and growth in the creative industries. [59864]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): The creative industries council will provide a forum for the creative industries and the Government to engage in a joined-up way. Members will instigate industry-led approaches to boosting the growth and competitiveness of the creative industries, with the Government facilitating and removing barriers where appropriate.

Kerry McCarthy: Bristol is to be home to one of the new local enterprise zones announced in the Budget, with a focus on the creative industries. Will the creative industries council be able to offer practical assistance to make the zone a success, or will it be just a talking shop at the national level? Will it deliver results on the ground?

Mr Vaizey: I was lucky enough to visit Bristol recently, where the astonishing success of the creative industries is a wonder to behold. We certainly do not want the creative industries council to be a talking shop, which is why we set up four or five work streams, which I hope will be relevant to businesses in Bristol.

Mr Bain: UK Music has established that the music industry employs nearly 100,000 people and generates almost £5 billion a year for the UK economy. However, one of the biggest problems for up-and-coming musicians is in obtaining credit or finance from the banks. Can the Minister assure the House that the work of the creative industries council will lead to an increase in the amount of capital available for young musicians?

Mr Vaizey: I will certainly take the hon. Gentleman's point on board. I recently met important industry figures Sandie Shaw and Brian Message, the manager of Radiohead, to discuss with a specific bank making capital available to musicians. I hope that other banks will take note of that initiative.

Steve Rotheram: The Minister is aware of the devastating impact of the cuts agenda on the cultural sector through lost economic benefit. However, is he aware of the importance of innovations that are directly attributable to music sales, such as X-ray computed tomography—or CT scanners, as they are more commonly known—which were developed by EMI primarily through sales of Beatles records, by four lads who shook the world? Without leadership, is the Minister not putting similar investment opportunities at risk?

Mr Vaizey: I am aware of the huge cultural vibrancy of this country, which is why I will travel to Liverpool later this month to open the Magritte exhibition at Tate Liverpool. Liverpool really is a vibrant and creative city. Returning to the earlier question about the Digital Economy Act 2010, the reason we are so keen to press ahead with it is so that our creative industries can earn money from the content that they create.

Mr John Whittingdale (Maldon) (Con): Does my hon. Friend agree that one of the key determinants of the success of the creative industries is the strong protection of intellectual property? Is he considering following the example of President Obama and appointing a champion for intellectual property, which would send that signal? Does he agree that what would send precisely the wrong signal is any suggestion from local authorities that the enforcement of actions against pirate or counterfeit goods by trading standards officers should not be seen as a priority?

Mr Vaizey: I met President Obama's copyright tsar, Victoria Espinel, when she was in this country last week. We had a meeting with the IP crime group, which is very effectively taking forward the enforcement of

measures to tackle IP crime. The Minister, Baroness Wilcox, is also an extremely effective champion of the IP industry.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): The creative industries in the UK are world leaders but, to continue that trend, we need to ensure that the courses that are studied in our higher and further education establishments are truly robust. Will the Minister pledge to work with the Department for Education and the Department for Business, Innovation and Skills to ensure that those courses are fully recognised and really worth while?

Mr Vaizey: In an earlier answer, I praised Bournemouth university. One of the first things that I did as a Minister was to commission the Livingstone-Hope report on skills in the video games industry to ensure that our courses were fit for purpose, and I should like to take this opportunity to congratulate Sir Alex Hope on his well-deserved OBE for that work.

Gloria De Piero (Ashfield) (Lab): The Government make available about £2 billion to British banks under the enterprise finance guarantee scheme to support small and medium-sized enterprises in the creative industries. Music industry representatives have told me that only two music companies have been successful in raising loan finance via the EFG scheme. One very experienced music manager was successful only on his ninth attempt. What is the Minister going to do to improve the scheme and to support our music industry?

Mr Vaizey: I suspect that the hon. Lady met the same people at the meeting that I referred to earlier. I absolutely understand the issue to which she is referring, and I want to continue to work with the banks to try to educate them on how the enterprise finance guarantee scheme can be used to support the music industry. Important changes in the Budget, such as the enterprise investment scheme, will also help our creative industries.

Digital Switchover

8. **Andrew Bridgen** (North West Leicestershire) (Con): What recent progress has been made on digital switchover. [59865]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): Television switchover is on track and progressing extremely well, with almost 36% of UK homes having switched to digital already. A further 17.2 million homes will switch by the end of the programme in 2012.

Andrew Bridgen: Many of my constituents are concerned about the impending digital switchover in the east midlands. Can the Minister assure the House that any issues relating to previous digital switchovers have now been addressed? On a more local point, does he acknowledge that it is important that areas receive the right regional news for their area? That is not currently happening in many parts of North West Leicestershire.

Mr Vaizey: I hear what my hon. Friend says. Regarding regional news, his constituents will receive digital terrestrial television either from the Waltham transmitter, for BBC East Midlands, or from Sutton Coldfield, for BBC West Midlands. Digital UK has a postcode checker that will allow constituents to work out which service they will receive. It will also give them advice on how to re-tune if they want to receive a different service. Digital switchover has proceeded extremely smoothly, except in one area: my own county of Oxfordshire, where the transmitter burned down. I do not expect that to happen again, however.

Mr Speaker: I am sure that the Minister will not take it personally.

Chris Bryant (Rhondda) (Lab): We in Wales know that digital switchover is a great thing, but it is not quite a utopia. The Freeview package that is available in my constituency and many other valleys communities is greatly diminished compared with the rest of the country. This means that Rupert Murdoch has a virtual monopoly not just on first-view American movies and many sports matches but on the actual provision of television services. What is the Minister going to do to ensure that my constituents get a fair deal?

Mr Vaizey: I would certainly be happy to meet the hon. Gentleman to discuss coverage in south Wales. I have learned from many years' experience that there is no such thing as utopia, but we can strive towards it. As far as Mr Murdoch's monopoly is concerned, I know that he will have taken note of Ofcom's investigation into pay TV, sports rights and other such competition issues.

Computer Games Industry

10. **Jim McGovern** (Dundee West) (Lab): What discussions he has had with the Chancellor of the Exchequer on future Government support for the UK computer games industry. [59867]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I discussed future Government support for the creative industries—including the video games sector—with the Chancellor of the Exchequer in the development of the plan for growth which was published alongside Budget 2011. The plan for growth sets out the specific actions that we are taking to tackle major barriers to growth in the creative industries and to create the right conditions for creative businesses to flourish.

Jim McGovern: I do not know about high-speed broadband, but that was a high-speed answer—and I am sure that the Minister will appreciate that it is not the one I was looking for. He will be aware that games companies in the UK are closing and that many of their staff are going to Canada. Ireland is now looking to introduce tax breaks, but for some reason this Government persist in doing nothing. Will the Minister reassure me, the House and my constituents that the assessment of tax breaks for the industry, as recommended by the Scottish Affairs Committee, will be carried out as a matter of priority before more harm is done to this very important industry?

Mr Vaizey: I am mindful of your desire, Mr Speaker, to crack through the Order Paper, which is why I tend to answer questions in a rapid manner. Let me first

congratulate the hon. Gentleman on his championship of the video games industry. I know that 150 jobs have been created in the industry in his own Dundee constituency. Measures in the Budget, such as the changes to the research and development tax credit and the enterprise investment scheme, will help the video games industry. I will continue with my vocal and, I hope, practical support for that important industry.

BSkyB

11. **Alex Cunningham** (Stockton North) (Lab): What recent progress he has made on his consideration of News Corporation's proposed acquisition of BSkyB. [59868]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): Following my announcement on 3 March, I am currently considering responses to the consultation on undertakings, and I will announce my decision when the process is complete.

Alex Cunningham: Has the Murdoch empire, with its alleged wholesale illegal activities, not shown itself clearly unfit for an even greater control of the British media?

Mr Hunt: This is an issue about media plurality. I am not legally allowed to consider any other issues, but phone hacking is incredibly serious. The police are following their investigations and they must follow them wherever they lead. If the hon. Gentleman is not convinced by me, he should perhaps be convinced by his own Front-Bench team, as the shadow Culture Secretary has also said that the serious admissions of culpability by News International are not relevant to the News Corp's BSkyB media plurality issue.

Mr Ivan Lewis (Bury South) (Lab): The Secretary of State promised a decision on this matter on 26 April—and we are still waiting. Does he understand why people have no confidence in the integrity of the process or his role in it when, instead of referral to the Competition Commission, he has taken the unprecedented step of personally overseeing negotiations covering the legal, contractual and financial arrangements involved in establishing Sky News as a standalone company? The Secretary of State tells us that he is currently taking lessons in how to be a football referee. I assume he understands that the referee's job is to be neutral—not to help one of the teams bundle the ball over the line.

Mr Hunt: The shadow Culture Secretary cannot have it both ways. I was accused before of rushing the decision, so now I am taking as long as it takes because we want not a rushed decision, but the right decision. I am not personally overseeing the negotiations. It is being done by Ofcom and the Office of Fair Trading, and I am receiving independent written advice from them at every stage, which I have either published or will publish. When it comes to the question of dithering, when I made the announcement on 3 March on what I was minded to do, the shadow Culture Secretary said that after talking to relevant parties, he would announce whether he supported my decision or not. We are still waiting to hear whether he does.

Charlie Elphicke (Dover) (Con): Is it not the case that the development of the media market in this country is such that newsprint, internet, TV and, indeed, mobile platforms are coming together? Such common ownership will become more obvious, as reflected in the drift of policy. Would it not be wrong to hold that policy back and oppose that sort of development just because of the Labour party's hatred of a single individual?

Mr Hunt: We absolutely want media policies that allow convergence. In fact, our local TV policy is a precise example of that, as we want to encourage local newspaper groups to get into other platforms. This particular issue, however, is about media plurality. It is about making sure that no one has too much power in any one part of our media. That is the prism through which we have to look at the issue, and that is what we are doing.

Local Television

12. **Simon Kirby** (Brighton, Kemptown) (Con): What recent representations he has received on proposals for local television; and if he will make a statement. [59869]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): We have had 140 responses to our consultation on local TV, including 69 expressions of interest from people interested in providing it.

Simon Kirby: Does my right hon. Friend agree that local TV can be successful in places such as Brighton and Hove, where its funding, its audience and its coherence with the local community are all factors contributing to its success?

Mr Hunt: I absolutely agree with that. My hon. Friend will know that I met Angi Mariani, the publisher of "Latest Homes" magazine in Brighton and "Brighton Lights" online magazine, who has submitted an expression of interest in running a TV station in Brighton—*[Interruption.]* He will know because he was with me when I met her.

Mr Speaker: We always appreciate a bit of extra information.

Mr Hunt: This has widespread support among local communities, universities and the internet community. In fact, the only organisation that does not support it is the Labour party.

Mr Ivan Lewis (Bury South) (Lab): Now that the Secretary of State has been forced to abandon "Hunt TV"—otherwise known as "a new national TV spine"—his plans for local television are in disarray. Does he agree that, given his ministerial responsibility for ITV and Channel 4, there would be serious ethical concerns if he attempted to solicit funding from them for his personal vanity project? Can he confirm that, in the midst of 16% cuts, the BBC will be required to spend £25 million of licence fee payers' money on supporting local television only if it can be proved to be viable, sustainable and good value for money?

Mr Hunt: Far from our plans being in disarray, we have published plans for about 10 local television stations, and we hope to have double or triple that number by the time the process has been completed. ITV is quite capable of looking after itself.

I must ask the hon. Gentleman to be a little bit consistent. When his party was in government, it planned to take £40 million from the licence fee to support two regional television channels, and to top-slice the fee. We are taking much less money, and we will create far more local television stations. I urge all Labour Back Benchers to encourage Front Benchers to back this initiative, because their constituents will support it wholeheartedly.

FIFA World Cup

13. **Damian Collins** (Folkestone and Hythe) (Con): What his policy is on support for a future bid for England to host the FIFA World cup. [59870]

The Minister for Sport and the Olympics (Hugh Robertson): Any future bid for a FIFA World cup is some time away, which is probably not a bad thing. Such a bid is unlikely to be submitted until 2030. Any decision would be considered on its merits, but I would expect a far greater degree of transparency and accountability in FIFA before we could consider any future bid.

Damian Collins: Does the Minister agree that without reform of FIFA to give it greater transparency and accountability, any England bid is likely to fail in the world of double-dealing and self-interest that FIFA has become under Sepp Blatter—unless, of course, he wants to get Del boy to front the next England bid?

Hugh Robertson: It is clear, both from our experience of the last bid and from what has happened subsequently at FIFA, that the organisation is in need of radical structural reform, and the principles of transparency and accountability must govern that. The newly re-elected president has set a process in train, and we will watch it carefully, but I doubt that we will consider a future bid until that process has been completed.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): Accountability and transparency are also an issue in domestic football. Does the Minister agree that it is surprising and disappointing that the Premier League has withdrawn its funding for Supporters Direct, an organisation that is committed to transparency in football ownership?

Hugh Robertson: As the hon. Gentleman says, transparency and accountability are an issue in English football, and we await the Select Committee's report with interest. As for Supporters Direct, I am sure the hon. Gentleman agrees that the language used by the chief executive constituted vileness of an entirely different order, and was quite unacceptable coming from someone holding such a position. That, of course, should not detract from the good work done by the organisation more generally. I believe that a meeting between the new chief executive and the Premier League is scheduled for Friday, and I hope that it will come to a successful conclusion.

BBC World Service

14. **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): What plans he has for future (a) funding and (b) parliamentary oversight of the work of the BBC World Service from 2014. [59871]

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): We have protected funding for the World Service with an efficiency saving, and accountability to Parliament will continue through the Select Committee on Foreign Affairs.

Alun Michael: Does the Secretary of State agree that Britain's place in the world, and its contribution to the world, are enhanced considerably by the work of the BBC World Service? I have seen that in relation to Somaliland and in eastern Europe. Does he share the widespread concern that is felt about the fragility of the service worldwide, and what can he do to satisfy us that Parliament will be fully involved and that the service is safe in his hands?

Mr Hunt: I entirely share the right hon. Gentleman's support for the BBC World Service, which is an incredible jewel in our national crown and a very important part of our soft power. The moving of the service directly into the core BBC presents it with tremendous opportunities. It will strengthen the service's independence and perceived independence, allow efficiency savings that will ultimately enable more to be invested in programming, and create the potential for improvements in the television service, BBC World News, which I think are long overdue.

Departmental Efficiencies

15. **Mr Philip Hollobone** (Kettering) (Con): What efficiencies in the administration of his Department he plans to make in the next 12 months. [59872]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): Our aim is to reduce the Department's administrative spend by 50% during the life of this Parliament. We have already reduced the pay bill by £3 million from 2010-11 through a voluntary redundancy scheme, and a programme to deliver further savings is in place.

Mr Hollobone: What methods are being engaged to expose yet further efficiencies that have not already been identified?

John Penrose: We continually keep everything under review, as would be expected. We have identified a number of particular points that I hope will satisfy my hon. Friend, including Ministers not using the Government car service, which will save about £250,000 a year, reducing hospitality expenditure by about £60,000 a year, and cutting spend on travel by about £30,000 a year. We will continue to scrutinise very carefully to find other such examples.

Media Training Programmes

17. **Caroline Lucas** (Brighton, Pavilion) (Green): Whether he has had discussions with the Secretary of State for Justice on the contribution of media training programmes to the rehabilitation of women in prison. [59874]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): My right hon. Friend the Secretary of State discusses a broad range of issues with his Cabinet colleagues. The Government believe that education and training programmes, such as the prison media centres project at HMP Downview, play an important role in the rehabilitation of prisoners.

Caroline Lucas: I thank the Minister for his reply. Does he agree that we should roll out rehabilitation models that use culture—such as the prison media centres project, which is run by people in my constituency—more widely, and will he therefore have further talks with the Secretary of State for Justice to ensure there is a national roll-out of such schemes?

Mr Vaizey: I understand that one of my officials is due to visit the project at the end of June, and no doubt he will return filled with ideas about how we might encourage such projects around the country.

Arts Council England

18. **Mrs Mary Glindon** (North Tyneside) (Lab): What assessment he has made of the likely effect of recent funding decisions by Arts Council England on arts and cultural organisations. [59876]

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): My Department and Arts Council England continue to monitor the impact of the recent national portfolio announcements. Regularly funded organisations whose applications for the national portfolio were unsuccessful will continue to receive support during the financial year 2011-12, which will enable them to explore alternative sources of support or adapt their business plans.

Mrs Glindon: Given this year's cut of 74% in arts funding for young people, communities and schools, what are the Government doing to widen access to art and cultural activities for young people and under-represented groups?

Mr Vaizey: The Arts Council has clear proposals to continue to support cultural education in schools, and we have also asked Darren Henley, the managing director of Classic FM, to build on his successful report on music in schools by now looking at the whole of cultural education in schools.

Topical Questions

T1. [59878] **Michael Connarty** (Linlithgow and East Falkirk) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): Over the next few weeks, I will have much progress to report on all our five priority areas, including broadband allocations for local authorities, next steps for the awarding of local TV licences, inaugural pilots of the school games, a 2012 tourism marketing strategy and a policy to promote financial resilience for the arts.

The House will want to congratulate Andy Murray on his success at Queen's on Monday, and wish him success for another tournament about to start a few stops further down the District line.

Michael Connarty: I am sure the Secretary of State supports the idea of there eventually being independent licences for all four parts of the United Kingdom, but at present how can he possibly justify the fact that STV is not recognised as an independent producer, and is therefore denied access to 25% of the production available through the system, as it is treated like other small independents? Surely this must be taken on, and STV must become a qualified independent producer?

Mr Hunt: I am very well aware of the case STV is making. The only point I would make to the hon. Gentleman is that the outstanding success of our broadcasting industry has been based on the division between broadcasters and producers and that has benefits for Scotland, as it does for the whole of the United Kingdom. Under our local TV programme, we hope to award many more licences for much smaller areas.

T5. [59883] **Mel Stride** (Central Devon) (Con): My right hon. Friend will be aware that the Government have been allocated some 9,000 tickets for the 2012 Olympic games. Will he reassure the House that none of them will be provided as free perks either to Government employees in general or, in particular, to UK politicians?

Mr Hunt: I am happy to reassure my hon. Friend about the details of those tickets: 3,000 tickets have been allocated to staff associated with the project—they will be purchased and are available through a ballot; 2,400 are being made available to host towns and cities, and they, too, will be purchased; 2,900 will be made available to guests of the Government, including international business guests and dignitaries, to make sure that we secure an economic legacy to the Olympics; and 450 tickets will be allocated as prizes in the school games, to which 6,000 schools have signed up.

Tessa Jowell (Dulwich and West Norwood) (Lab): The House is grateful for the Secretary of State's clear exposition, and I hope that this is widely publicised.

I hope that the House will join me in welcoming to our proceedings a delegation from the Dutch Olympic committee. As London prepares to welcome the world to our Olympic games next year, will the Secretary of State recognise the limited scope for the International Olympic Committee to do more than issue invitations to the national Olympic committees of countries around the world? Given the sensitivity about what we would describe as pariah regimes, will he assure the House that all necessary and relevant diplomatic intervention will be taken at the appropriate time to prevent their participation?

The Minister for Sport and the Olympics (Hugh Robertson): The short answer is that I entirely agree with the right hon. Lady. What was very apparent yesterday in dealing with the Libyan regime was how much easier it is to deal with these situations if the regime is the subject of European Union banning orders. With all such regimes it is a huge help if they are the

subject of the relevant international sanctions. Like her, I would like to extend a very warm welcome to the delegation from the Dutch Olympic committee. They are close allies of ours in the cause of football reform, an issue close to the heart of the hon. Member for Rutherglen and Hamilton West (Tom Greatrex), and I hope that they have a successful trip.

Stephen Barclay (North East Cambridgeshire) (Con): Further to my correspondence with the Minister over the past two and half months following the Public Accounts Committee hearing on Ofcom and the notice I gave him that I would be raising this issue, will he confirm whether Ofcom will use present value estimates on net returns of long-term investments in its 2010-11 annual accounts? Would that comply with Treasury principles?

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I do not know, so I will write to my hon. Friend.

T2. [59880] **Stella Creasy** (Walthamstow) (Lab/Co-op): Supporters Direct has not just been helping fan involvement in football clubs; it has also been advising on the bid for the Walthamstow dog track and helping to involve the community in that. Will the Minister meet me to discuss how we can help to promote fan involvement, not only in football but in a range of other sports?

Hugh Robertson: That is the first question I have ever had on dog racing, but it will not be the last. In the circumstances, probably the best thing to say is that I would be delighted to meet the hon. Lady to hear more about this.

Alun Cairns (Vale of Glamorgan) (Con): I welcome the Secretary of State's earlier comments about the importance of mobile broadband and the role it can play. Does he recognise the current imbalance in the market, with some providers having access to better bandwidth or a better spectrum on the bandwidth? What plans does he have to use the 4G auction to correct the imbalance?

Mr Hunt: I welcome my hon. Friend's interest in and commitment to this subject. We recognise that there has to be a competitive market in broadband and that it would be very damaging for the broadband market if we did not have a competitive market in mobile provision. I know that Ofcom is working very hard to structure the spectrum auctions to make sure that we do.

T3. [59881] **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Does the Secretary of State still believe in localism? If so, why is he undermining local radio up and down the country, reducing morale? Why is he attacking all those third sector arts organisations that are collapsing up and down the country because of a lack of funding?

Mr Hunt: We are not, and I do not know where the hon. Gentleman gets his information from. We have published the most ambitious local media strategy for many years, providing a way forward for local radio stations. We are continuing to support many community radio stations. On local arts groups, we have put in place a big package to try to encourage and help arts organisations to be resilient in difficult financial times.

Mr Edward Timpson (Crewe and Nantwich) (Con): The Crewe Alexandra girls centre of excellence in my constituency has a proud and enviable record of producing first-class international players and it has built a strong reputation, over many years, across the whole of the footballing community and beyond. The Football Association has rewarded that success by deciding to close the centre, leaving many gifted players and their parents dumbfounded and devastated. Can my right hon. Friend look into the matter urgently and take it up personally with David Bernstein, the chairman of the Football Association?

Hugh Robertson: I think that question gives me the opportunity, which I am sure everybody across the House will want to take, to wish the England women's football team good luck in the forthcoming world cup. In response to hon. Friend, I will of course take the case up if he sends me the details.

Mr Speaker: I call Chris Ruane. He is not here, so I call Fiona Mactaggart.

T6. [59884] **Fiona Mactaggart** (Slough) (Lab): In his response to the hon. Member for Devizes (Claire Perry), the Secretary of State spoke about his efforts to persuade internet service providers to create an opt-in system so that families can be protected from porn on their computers. Is it not time to abandon his charm and start using the stick of regulation so we can protect families from porn flowing into the home?

Mr Jeremy Hunt: That is precisely what we are doing. We are telling people that if they do not co-operate in bringing forward measures that will deal with this issue fast, we will legislate and regulate.

Jake Berry (Rossendale and Darwen) (Con): I welcome yesterday's announcement that 10,000 tickets for the Olympics will be made available free of charge to members of our armed forces. Will the Minister update the House on who else will benefit from the ticket share scheme and, specifically, on whether it will help school children in my constituency?

Hugh Robertson: As my right hon. Friend the Secretary of State has announced, a number of tickets will be available to winners of the school games. A further tranche of tickets are available to Sport England through the Places People Play initiative that will go to local sports champions.

T7. [59885] **Kerry McCarthy** (Bristol East) (Lab): I want to thank the Minister responsible for the creative industries for having a productive meeting with me and a delegation this week to discuss the problems that UK musicians are having getting visas to tour the USA. Will he confirm that the Department is behind our efforts to smooth the path for musicians wishing to tour in the US and that he will do all he can to help us?

Mr Vaizey: I thank the hon. Lady. I thought it was a very productive meeting and my Department will certainly do all it can to facilitate relationships with the US Administration and to iron out some of the bumps in the road for musicians as regards obtaining appropriate visas.

Mr Peter Bone (Wellingborough) (Con): Does the Minister for Sport and the Olympics agree that the Olympics are a celebration of world sport and host countries should be very careful about trying to ban people from coming to this country for the Olympics?

Hugh Robertson: I certainly agree that the games are a celebration of world sport. We touched on this issue with the question from the right hon. Member for Dulwich and West Norwood (Tessa Jowell). It is really important that when there are regimes that we do not wish to invite to this country, the relevant international sanctions should be in place to back that up. One of the ironies of the current process is that the ban put in place for the 1980 Olympics produced results for two people who did not abide by that ban, Lord Coe and Lord Moynihan, who are, of course, central to the delivery of the current games.

T8. [59886] **Mr William Bain** (Glasgow North East) (Lab): The BBC is in discussions with DCMS over changes to the public value test. Will the Secretary of State guarantee that, notwithstanding the freeze in the licence fee and the cuts that the BBC is having to make, no services or TV channels will be allowed to close?

Mr Jeremy Hunt: I cannot give that guarantee, because the BBC operates at arm's length from the Government and, quite rightly, has editorial discretion about what it does or does not do. What I can say, however, is that when we negotiated the licence fee last October, it was on the understanding that the 16% saving in the licence fee in real terms, to be implemented over six years, was an efficiency saving and that we would not expect the BBC to be unable to deliver any of its core services within the agreed budget.

HOUSE OF COMMONS COMMISSION

The hon. Member for Caithness, Sutherland and Easter Ross, representing the House of Commons Commission, was asked—

Accommodation

1. **Thomas Docherty** (Dunfermline and West Fife) (Lab): Whether the House of Commons Commission has made an estimate of the monetary value of the residential accommodation provided for officials situated outside the secure part of the Commons estate. [59849]

John Thurso (Caithness, Sutherland and Easter Ross): Outside the secure area, the House holds a long lease on a residential flat at 102 Rochester row, which is valued at £540,000 and has an annual rent of £440. A freehold property at 22 John Islip street, which is used as hostel-style overnight accommodation for staff supporting sittings of the House, is valued at £600,000.

Thomas Docherty: Perhaps I could press the hon. Gentleman. Given that we now have far fewer late-night sittings and that after the next general election we will have 50 fewer colleagues, perhaps now is the time to evaluate whether we could move those beds into the estate and make some real savings for the public purse.

John Thurso: The Commission is very alive to seeking savings within the accommodation budget. There are a number of possibilities that may arise in the future and these are kept under active consideration.

LEADER OF THE HOUSE

The Leader of the House was asked—

House Business

2. **Mr Peter Bone** (Wellingborough) (Con): If he will bring forward proposals to hold Back-Bench business each sitting Wednesday and Prime Minister's questions each sitting Thursday. [59850]

The Leader of the House of Commons (Sir George Young): I have no plans to do so.

Mr Bone: The House sits for 139 days a year excluding private Members' days. Under the previous Government, Members were encouraged to turn up on Monday evening and leave on Wednesday night. If we are to restore Parliament to the fulcrum of our democratic process, we must restore Thursday to a full business day. Does the Leader of the House agree?

Sir George Young: I certainly believe that Thursday should be a paid-up member of the parliamentary week. There have been 38 sitting Thursdays in this Parliament, for 21 of which my right hon. Friend the Patronage Secretary has indicated that he would like me and, indeed, the Parliamentary Secretary, Office of the Leader of the House of Commons, my hon. Friend the Member for Somerton and Frome (Mr Heath), to be present. When the Backbench Business Committee has tabled business on a Thursday that has required a Division there has been a good turnout by Members of Parliament, so I am not sure that I entirely accept the view that Thursday is not a fully paid-up member of the parliamentary week.

Natascha Engel (North East Derbyshire) (Lab): The question put by my fellow Backbench Business Committee member, the hon. Member for Wellingborough (Mr Bone), is about establishing one day every week in the parliamentary calendar as a Back-Bench day, which would surely be helpful to the Leader of the House and the business managers as the Government could then schedule business around us and have the certainty of having one day a week for Back-Bench business.

Sir George Young: My own view is that it is to the advantage of the Backbench Business Committee and the House to have the flexibility of the current arrangements. The Wright Committee, on which the hon. Lady and I both sat, said at paragraph 214 that

"it could be left open to a process of regular discussion and negotiation as to which day of each week would be devoted to backbench business. This would avoid the rigidities referred to above."

Mr James Gray (North Wiltshire) (Con): If, as some people are proposing and as the Select Committee on Procedure is currently considering, private Members' business was moved from Friday to some other point in the parliamentary week, there would be an even greater risk of Thursday becoming downgraded. In the nicest possible way, may I remind my right hon. Friend the Leader of the House that during his thankfully unsuccessful bid for your seat, Mr Speaker, he himself brought forward the notion of moving Prime Minister's questions to a Thursday?

Sir George Young: I am grateful to my hon. Friend. It is indeed the case that when I was on the Back Benches I could do some blue-sky thinking but my horizons are now more constrained. I say to him that the Prime Minister is more than satisfied with the current arrangements for Prime Minister's questions.

Helen Jones (Warrington North) (Lab): Is not the real reason why the Leader of the House cannot announce more time for Back-Bench business or give us the date for the end of the Session that the Government are running into trouble with their own legislation? Their Public Bodies Bill has been shredded in the Lords, they have been defeated on police commissioners, their Back Benchers are getting jittery about pensions and they have had to recommit the Health and Social Care Bill. Why do they not stop rushing into botched, ill-thought-out legislation, think things through and allow more pre-legislative scrutiny? Think how that would have improved the Health and Social Care Bill!

Sir George Young: I will take no criticism from Labour Members about the way we handle the parliamentary programme. We are giving far more time for legislation than the previous Government, who frequently guillotined the remaining stages of Bills. We have on several occasions allowed two days for Bills on Report, including this week, and we have extended the Session so that the House has more time to consider the legislative programme, so I entirely reject the hon. Lady's assertions that we are rushing legislation through the House.

Opposition Day Debates

3. **Greg Hands** (Chelsea and Fulham) (Con): What recent representations he has received on the procedure governing Opposition day debates. [59851]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): My right hon. Friend the Leader of the House and I have received no recent representations on the matter.

Greg Hands: I thank the Deputy Leader of the House for his answer. One of the problems we have at the moment with Opposition day debates is the late notification of the topic and the motion, which deprives Members on both sides of the House of the opportunity to prepare speeches and points. Will he have a word with his opposite number to see how we might be able to improve the procedure to help to improve debate on both sides of the House?

Mr Heath: I have to say that the hon. Gentleman is absolutely right. It is open to the Opposition to table the subject for debate immediately after the date is announced, and it would be a courtesy to the House if it were given an appropriate length of time to know what the debate will be and to allow Members to table amendments, if they wish.

Pete Wishart (Perth and North Perthshire) (SNP): Is the Deputy Leader of the House satisfied with the amount of time the non-Labour Opposition parties get for Opposition days? Surely all the time that was afforded to the Liberals has gone to the Labour party. Why did none of it come to the smaller parties, which seem to get half a day every decade?

Mr Heath: In the allocation of time, we are bound by the Standing Orders of the House. The hon. Gentleman might like to look at the Standing Orders and suggest to the Procedure Committee or others that they should change them, but at the moment we can do only as the Standing Order require.

House Proceedings

5. **Andrew Stephenson** (Pendle) (Con): What recent progress he has made on his proposals to make the proceedings of the House of Commons more topical. [59853]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): Since the general election, the Government have established the Backbench Business Committee, reintroduced September sittings, increased the amount of time available for topical questions and are making many more statements than the previous Government. I think that the increased level of coverage we have seen of questions, statements and debates in the media is testament to the increasingly topical nature of this place.

Andrew Stephenson: I thank the Deputy Leader of the House for his answer. A key step in making proceedings more topical would be to launch Select Committee reports on the Floor of the House. What progress is being made on that proposal? *[Interruption.]*

Mr Heath: The hon. Member for Rhondda (Chris Bryant) says from a sedentary position that that is a good idea. It is indeed a good idea. My right hon. Friend the Leader of the House will shortly write to the Chairs of the Backbench Business Committee and the Liaison Committee to seek their views on proposals to allow for short statements and questions from Committees on the day of publication of some reports.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): The Deputy Leader of the House referred to topical questions in his initial response, and we have seen those recently extended to International Development questions. Are there any plans to do so for other Departments that do not have topical questions, such as the Scotland Office, Wales Office and Northern Ireland Office?

Mr Heath: There are no current plans for further extensions, but we were very happy to accede to the request, which actually originated with the Opposition, to find time for topical questions on some of the Departments that previously did not have them. There are no plans to extend topical questions at the moment, but we will of course entertain any such requests in future.

Mr Philip Hollobone (Kettering) (Con): Will the Deputy Leader of the House consider reactivating the second Adjournment debate procedure so that when Government business collapses, as it will today, there is an opportunity to use the full parliamentary timetable for Back-Bench business?

Mr Heath: The hon. Gentleman raises an interesting point which he might like to put to the Procedure Committee for its consideration. It is not for me, as a Minister, to give a yea or nay to the suggestion, but the Procedure Committee could usefully look at it.

HOUSE OF COMMONS COMMISSION

The hon. Member for Caithness, Sutherland and Easter Ross, representing the House of Commons Commission, was asked—

IT Equipment (Charitable Organisations)

6. **Stephen Mosley** (City of Chester) (Con): Whether the House of Commons Commission has considered the merits of redistributing used IT equipment to charitable organisations. [59854]

John Thurso (Caithness, Sutherland and Easter Ross): This matter was last considered shortly before the 2005 general election. The House received advice that accounting regulations required the recovery of the residual value of publicly funded assets when they were disposed of. For that reason, the possibility of charitable donation was not pursued and the assets were resold after having any data and software removed.

Stephen Mosley: I thank my hon. Friend for his response. Is he aware that the House of Lords allows the redistribution of old IT equipment to charities, and will he ask the Commission to reconsider its 2005 decision?

John Thurso: Perhaps I could point out to my hon. Friend that the total for Members' equipment recovered to date is £75,000, which is approximately half its total value. The House of Lords has far less equipment, and it is of lower value, and can therefore take a different view. However, we will consider the matter at the end of this Parliament.

Commons Facilities (House of Lords)

7. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): Whether the House of Commons Commission has assessed the likely effects of enabling Members of the House of Lords to use facilities of the House of Commons. [59855]

John Thurso: Currently, all peers have access to some facilities in this House. Peers who were formerly Members of this House have access to a wider range of facilities here, and the House of Lords has a reciprocal arrangement for former Members of that House now in this House. The recent Administration Committee report on catering and retail services in the House makes some recommendations on widening access for peers, especially in the dining rooms at lesser-used times.

Mr Sheerman: The hon. Gentleman will know that that report is quite honestly full of some pretty absurd suggestions about the closure of facilities that this House of Commons values very highly, including the major cafeteria in Portcullis House in the evenings. There are almost 800 Members of the House of Lords, and rising, but there are going to be only 600 Members of Parliament. Our facilities, dedicated to Members of Parliament, are already under great pressure, and to open up all of them to another 800 Members would make life for most elected Members very difficult.

John Thurso: As I understand the report, that is a suggestion rather than a full recommendation. The House of Commons Commission will consider the report in due course, and I am sure that representations from the hon. Gentleman, and from other right hon. and hon. Members who might wish to make any, will be fully considered at that time.

LEADER OF THE HOUSE

The Leader of the House was asked—

European Legislation (Scrutiny)

8. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What plans he has to reform arrangements for scrutiny of European legislation in the House of Commons; and if he will make a statement. [59856]

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): As my right hon. Friend the Minister for Europe said in a written ministerial statement on 20 January, the Government are keen to explore new ways of scrutinising European Union issues. He is in discussions with the European Scrutiny Committee and its counterparts in another place, but the Government will of course welcome proposals from other parliamentarians.

Miss McIntosh: From a reply to a written question, I understand that the Government are keen to end the gold-plating of EU directives, but the only way of doing so is by granting MPs the power to amend the statutory implementing regulations as they go through the House—to amend the text and to reject the regulations. Will the Government approve that?

Mr Heath: I understand the argument for amending draft orders. The difficulty is that, if the two Houses of Parliament amend matters differently, we will then need a reconciliation process, and, instead of an order-making process, we will effectively have a small Bill going through the procedures of Parliament. There are some difficulties with the hon. Lady's proposal, but I will of course pass on her concerns to the Minister for Europe.

Michael Connarty (Linlithgow and East Falkirk) (Lab): During the final two years of the previous Parliament, the then Opposition railed against the fact that the structure of the European Standing Committees collapsed into basically random Committees. There used to 39 Members on three Committees who debated regularly the issues coming from Europe, and it was promised that they would be reinstated. The level of ignorance about European business in this House has gone through the roof, however, and it is time that the Government

put people back on those Committees in order that they learn the business of Europe before they stand up and open their mouths.

Mr Heath: I will not comment on the hon. Gentleman's final observations, but he is right to say that we need to ensure that the House is able to scrutinise European business appropriately and fully. That is why I am sure the Minister for Europe is very much engaged in talking to him and his colleagues to make sure that we get the parliamentary structures right—and as soon as possible.

Southern Cross Healthcare

11.33 am

Nick Smith (Blaenau Gwent) (Lab) *(Urgent Question)*: To ask the Secretary of State for Health what action the Government are taking in respect of the crisis in Southern Cross.

The Minister of State, Department of Health (Paul Burstow): The Government have made it very clear that the welfare of residents living in Southern Cross homes is paramount. We appreciate that recent events and media speculation have caused concern to residents in Southern Cross care homes, to their relatives and families and to staff. I very much regret that.

I should like to reassure everyone that no one will find themselves homeless or without care. The Government will not stand by and let that happen. Department of Health officials have been in frequent contact with Southern Cross's senior management over the past three months, and that will continue. We are engaged with the company, the landlords and the lenders, and we are monitoring the situation closely.

The Government are acting to ensure that all parties involved are working towards a swift resolution with a comprehensive plan for the future, which must have the welfare of residents at its heart. It is for Southern Cross, its landlords and those with an interest in the business to put in place a plan that stabilises the business and ensures operational continuity of the care homes. That work is happening, and we must let it continue.

Let me be clear: this is a commercial sector problem, and we look to the commercial sector to solve it. All the business interests involved fully understand their responsibilities, but the Government also have a role to play. That is why we are working closely with the Association of Directors of Adult Social Services, the Local Government Association, local authorities and the Care Quality Commission to ensure that robust local arrangements are in place to address the consequences in the event that the company's restructuring plan failed to put in place a business that was on a stable footing.

Yesterday, a meeting took place between Southern Cross, lenders and landlords in a committee. They agreed to work together to deliver a consensual solution to the company's current financial problems over the next four months. They also made it clear that continuity and quality of care for all 31,000 residents will be maintained and that every resident will be looked after. That is a welcome development and the Government are encouraged by that positive agreement by the main stakeholders.

The exact details of the restructuring plan over the next four months will be set out over the next few days and the following weeks. The joint statement issued yesterday by the company, the landlords and the lenders provides further reassurance that the continuity of care of the residents is at the centre of this consensual restructuring. The Government will continue to keep close contact with all involved in the process, and I will continue to keep the House informed.

Nick Smith: I thank the Minister for his statement. In recent months, we have seen a drip, drip, drip of negative news stories about the financial stability of Southern Cross. After yesterday's meeting with the 80 different landlords, the company's future is still very uncertain. However, residents of Southern Cross, their relatives and the directors of social services will need further information—sooner rather than later—on what comes next for the company.

Residents and their relatives need peace of mind, and they need it now. The company appears to be hanging by a thread; the numbers speak for themselves. It has reported half-yearly losses of £311 million and its share price has dropped by 97% since 2006. Forty thousand staff work for the organisation, but 3,000 redundancies have been announced. There are 31,000 residents in 750 care homes; this is a UK problem, with 400 constituencies affected in Wales, Scotland, Northern Ireland and England.

The Government have been too slow to get a grip on the situation. The issue has been live since last December, but Age Concern says that the Government have allowed it to reach this crisis point. Questions that need answering include the following. Newspaper reports say that Southern Cross owes Her Majesty's Revenue and Customs £20 million. Will the Government allow the company to be dragged down by that £20 million debt? What banks are owed money by Southern Cross? How much is owed and what actions will the banks be taking? How are the Government working with the company's landlords—particularly NHP Ltd, whose parent company is hidden in a fog of complex overseas equity holdings? What are the Government doing to ensure financial probity in this crucial sector? We need to stop the get-rich-quick merchants preying on our elderly relatives.

Who will lead on this issue at the very highest level? This is a cross-Government matter that needs health, business and regulatory intervention. We need reassurance that residents will be safe in their homes, that continuing care will be of the highest standard and that, in the coming months, the Government will focus on ensuring stable financial governance for companies that care for our old and our vulnerable.

Paul Burstow: The hon. Gentleman asks a number of questions, some of which are for Ministers and others of which are for the landlords. He asked about NHP Ltd, and he is right to identify the fact that it is the largest landlord. He also asked about bank lending; obviously, the lenders have a key part to play in a solvent restructuring of the business, and that is why they were at the meeting yesterday. He mentioned HMRC, which, as an autonomous Government body responsible for making these decisions, is considering those matters at the moment.

The hon. Gentleman asks about the financial problems and the seeds of the problems. I urge him, in looking at the history of this, to look back several years to the restructuring of the company and the business model that was established and that caused the problem, and to ask himself who were in government at that time.

Mr Stephen Dorrell (Charnwood) (Con): Does my hon. Friend agree that the Government have just one priority in this set of circumstances, and that is to secure the interests of residents? Will he assure the House that he will send a clear message into the system that there will be zero tolerance of any slippage in the quality conditions that are imposed on the providers of care to residents, and that he will continue to keep his eyes firmly focused on the day-by-day quality of care that is delivered to residents?

Paul Burstow: The right hon. Gentleman is absolutely right. The Government's paramount interest—it is the interest that all of us in this House should have—is to ensure the welfare of residents. That has been the message that I, as a Minister, and officials have been giving, and will continue to give, to Southern Cross and to the landlords, and the CQC will have the responsibility of ensuring that that is carried out. It is absolutely clear that we all have to ensure that the restructuring succeeds, because that is in the best long-term interests of the residents.

Emily Thornberry (Islington South and Finsbury) (Lab): I thank the Minister for his statement, limited though it is. I congratulate my hon. Friend the Member for Blaenau Gwent (Nick Smith) on being granted this urgent question on an issue of great importance to Members of the House.

This is not the first time that Members have tried to bring the Minister with responsibility for care services before them to respond to their concerns. The lack of leadership and information from him during this period of uncertainty and anxiety for Southern Cross residents and their families, as well as its employees, has been notable. As a result of the agreement reached yesterday, we now appear to have a period of relative stability. However, great uncertainty remains for residents and employees at Southern Cross homes. We have heard that Southern Cross will now begin a period of restructuring, with reports of around 300 homes changing management, but contracts have been ripped up and it seems that 3,000 jobs are being lost. What assurances can the Minister give on security of employment for those working in Southern Cross?

On safety, last week we heard that Southern Cross is making 3,000 people redundant. We have also heard from the Care Quality Commission that Southern Cross has breached standards at 164 care homes—the equivalent of 28% of its English estate. Can the Minister guarantee the safety of and standard of care for residents, and how will he do this? Will the CQC carry out more frequent inspections?

There has been widespread condemnation of the business practices that led to Southern Cross's financial problems. It is all very well for the Minister to point fingers at what might have happened many years ago, but this problem exists now, and the Minister is in government now. When people are treated as commodities with no thought to the consequences for them of this risky business model it is important that Government step up to the plate and do something about it. Southern Cross is not the only company in this industry to have financial difficulties. We have heard from the Business Secretary that the business model of Southern Cross and others in the residential care industry will be looked at by his Department. Will the Minister provide more details on the timing of this review and how Members will be told about its findings?

On cuts, the Minister says that there will be robust local arrangements, and I am sure that local authorities will step up to the plate if asked to do so. He must recognise, however, that local authorities are already under enormous strain as a result of the cuts imposed on them by his Government, including the cuts that they are already having to make to adult social care. How can they be expected to pick up the pieces of this national problem without assistance nationally from Government? In other words, are they to be given more resources to deal with the problem of Southern Cross if they are expected to be involved in plan B?

Paul Burstow: The hon. Lady is long on critique but very shallow when it comes to how she would approach this differently. Last week, I set out in a written ministerial statement the approach that the Government were taking. We also dealt with this extensively at last week's Health questions.

The hon. Lady asked about the 3,000 job losses that are being proposed as part of redundancy measures by Southern Cross. Let us be clear: it has a statutory obligation to declare a ceiling for the number of job losses that may—I repeat, may—take place in the business. I have asked the CQC to undertake additional inspections to address concerns arising from the proposed job losses, and that has already been put in place.

The hon. Lady talks about cuts in social care spending but glosses over the fact that this Government, through the spending review, agreed to an unprecedented transfer of resources from the national health service to support social care, with £2 billion extra going into social care by 2014.

We might agree that we need to learn lessons from what is happening to Southern Cross, in respect of regulation and how we ensure a stable and successful social care sector for the future. That is why the Government are committed to an overhaul of social care and to bringing forward a White Paper to set out the plans in due course.

Neil Carmichael (Stroud) (Con): Does the Minister agree that the fundamental problem was a flawed business model that was allowed to exist for far too long under the previous Government?

Paul Burstow: My hon. Friend is right to draw attention to that. It is oft commented in the financial pages of our media that that is one reason why this company is in this position and why such a restructuring is necessary. However, I take heart from the joint statement that was issued yesterday following the meeting between the landlords, the company and the lenders. It suggests that a clear route map is being worked out that will ensure continuity of care. That is what all Members of this House must want. We must all be interested, ultimately, in the welfare and interests of the residents in those homes.

Mr Michael Meacher (Oldham West and Royton) (Lab): But is it not absolutely clear that the business model deployed at Southern Cross—selling off 750 freehold properties at colossal profit and then leasing them back, the state paying the fees to meet those rents, and the rental income being siphoned offshore by the landlords into tax havens, leaving the homes grossly underfunded for many years, with 164 homes failing basic CQC standards—is a national disgrace that must be replaced? Does that not mean that the Prime Minister's commitment to sell off all public services to any willing provider must now be abandoned?

Paul Burstow: I think we need a reality check. About 78% of care in the social care sector in England is provided in the private sector. That transfer to the

private sector has not happened just in the past 12 months; it is the product of successive Administrations' policies over many years. We must draw lessons from the experiences of the last few months, but we must focus on the paramount interests of residents and ensuring that this restructuring is successful. That is what I am focused on.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I thank the Minister for the information he has given the House and congratulate the hon. Member for Blaenau Gwent (Nick Smith) on his urgent question. There are two such homes in my constituency. This matter is of great concern not just to residents, but to staff. The impact on staff morale has an impact, in turn, on the care given to residents. I urge my hon. Friend to facilitate a speedy resolution as best he can, and to look at the model that we expect local authorities to adopt for buying care. Residents, their families and their advocates should be consulted more and be more involved in the process, so that care is more tailored and there are not such enlarged packages that can be exploited by large organisations, which may not be run as openly and transparently as they should be.

Paul Burstow: I am grateful to my hon. Friend for that important question, which points to the need for greater personalisation in the delivery of social care in the longer run. At the moment, in concert with our local authority colleagues, we must be clear about what happens in the event of failure, but also focus on ensuring that this business successfully ensures its future, and that of its employees and the residents who live in its homes.

Mr Dennis Skinner (Bolsover) (Lab): A lot of people know that running care homes has been a licence to print money. This is the second such case in a fortnight, the first being Winterbourne View. There are billionaires in the background making a ton of money. There is evidence that it is not just Southern Cross that is in this position. The goose might have stopped laying the golden eggs, so it is time to go back to what we had in the old days: local authorities being in charge and owning care homes. What is more, would it not be wonderful if everybody was able to go to care homes, like hospitals, free of charge?

Paul Burstow: It is important to put on record that something that the hon. Gentleman said is not, and never has been, the case. Social care in this country is not free. That is one of the big inequities of our current system and one of the big challenges that the Government are determined to address through the review that Andrew Dilnot is undertaking.

On the hon. Gentleman's question about the good old days, I have to say that many people did not see those days as good, because the care was not personalised and individualised, and it was not always of good quality, either.

James Morris (Halesowen and Rowley Regis) (Con): Will the Minister say something more about the specific steps he is taking to see that the Care Quality Commission ensures that standards of care are maintained during the transition period in homes in my constituency owned by Southern Cross? What steps will he take to ensure that the CQC takes its responsibilities seriously?

Paul Burstow: That is rightly a key preoccupation of all Members who have constituents who are Southern Cross care home residents and their family members. We have been very clear in our discussions with the CQC that it has to maintain a clear focus on the behaviour and conduct of those homes during the transitional period, and particularly during the restructuring. As other hon. Members have rightly said, the CQC has already identified problems and is addressing them through its enforcement powers, and it will continue to do so.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): The Minister will know that many residents of Southern Cross homes, including in my constituency, have dementia, and that a lot of people with dementia cope very poorly with changes. What may happen is therefore of enormous concern to their relatives. May I therefore press the Minister—he must have had discussions with his officials—on what the Government's legal position is, what the back-stop is if the worst case scenario develops, and what he will do now to reassure my constituents and many others that the Government really will ensure that their relatives do not face changes that will dramatically affect their quality of life?

Paul Burstow *rose—*

Mr Speaker: Order. By my reckoning the hon. Lady posed three questions, but I know that there will be an immaculate and beautifully tailored single reply from the Minister.

Paul Burstow: Thank you very much, Mr Speaker.

I can assure the hon. Lady that, first and foremost, clear arrangements are in place to deal with a catastrophic failure, which I think is now increasingly unlikely. More importantly, we need to ensure that we learn lessons from past care home closures and take them into account in future. However, we can also be clear that the underlying viability of this business is very strong indeed. We need care homes, and that is why we now have a route towards a solvent restructuring of the business.

Andrew Percy (Brigg and Goole) (Con): My concern is for the residents of the two care homes in my constituency, one in Goole and one in the Skippingdale area of Scunthorpe. It would be wrong if anyone tried to use the situation as a shield for making cheap political points.

Given that there are going to be up to 3,000 job losses, what measures will the Government take to monitor the quality of care and the staff ratio at individual homes, to ensure that there is no negative on impact on the residents? We are all concerned about that.

Paul Burstow: The hon. Gentleman asks an important question about the impact on the quality of care if there are staff losses. When it became clear that the company was posting a figure of 3,000 redundancies, I instructed the CQC to undertake additional assessments to ascertain any likely effect and ensure that there is no impact on the quality of care.

Mr Jim Cunningham (Coventry South) (Lab): What is the Minister doing to beef up the CQC? As I understand it, there have been a number of redundancies there, and if he wants to maintain the quality of care he has to

[Mr Jim Cunningham]

beef it up. Does he know that the *Coventry Evening Telegraph* recently conducted an investigation into 10 homes in Coventry, which were found greatly wanting in their standards, hygiene and medicine distribution?

Paul Burstow: On the hon. Gentleman's question about the staffing of the CQC, I can confirm that last October I authorised an additional 75 inspectors' posts to be filled by that organisation to strengthen it in the very way that he asks for.

Miss Anne McIntosh (Thirsk and Malton) (Con): Given that the change in business model seems to have led to the current difficulties, what procedures have the Government and the Department put in place to prevent similar business collapses? Is the Minister convinced that the CQC has sufficient investigative, as opposed to enforcement, powers should the problem sadly recur in future?

Paul Burstow: There are certainly issues arising from the current situation that we will want to consider as we go about reforming social care. However, I think it would be wrong, while we are in the midst of the restructuring that the company is undertaking, to bring forward a hard and fast set of solutions to ensure the long-term stability of the social care sector.

Mr Pat McFadden (Wolverhampton South East) (Lab): Tomorrow I will visit Bellevue Court in my constituency, one of the many Southern Cross-run homes around the country. I note what the Minister says about the Government guaranteeing that no one in the care of Southern Cross will be left without care as a result of what is happening. Clearly it is preferable for Southern Cross and its landlords and lenders to reach a solution that ensures that, but may I press him a little harder on what will happen if that does not come about? How will he live up to the guarantee, which the whole House has noted today, that if the rescue plan that Southern Cross is trying to achieve does not come about, the Government will ensure that no one is left without care and no one's care is compromised either in Bellevue Court or in any of the 750 homes throughout the country?

Paul Burstow: I entirely understand why the right hon. Gentleman wants to press for further details about what would happen in the hypothetical circumstances that he is keen to explore. However, given the nature of the commercial discussions that are going on at the moment, to give credibility to hypothetical situations is to create the possibility of their becoming a reality. I do not want that to happen.

Jake Berry (Rossendale and Darwen) (Con): The previous Government's failure to regulate the banks led to a crisis in that sector. Is the national disgrace of Southern Cross, to which Members of all parties have referred, caused by a similar dereliction of duty through their failure to regulate the care sector?

Paul Burstow: I am entirely focused on ensuring, through the facilities and offices of the Government, that all the parties involved are clear about their responsibilities, which they are, and that they understand the reputational damage to them if they do not do what they must, which is to ensure a timely, thorough and effective restructuring of the business that secures the continuity of care for residents.

John Mann (Bassetlaw) (Lab): In opposing the proposed sell-off of care homes by Nottinghamshire county council, I have been warning the council for 18 months about the crisis in Southern Cross, but that is not the only big care home provider with problems. As Mimosa, another major provider in my constituency, is also now in crisis and threatening to throw people out of Forest Hill care home, is the Minister prepared to meet families from my constituency so that he is ahead of the game on the next occasion rather than behind it?

Paul Burstow *rose—*

Mr Speaker: Order. I will of course ask the Minister to provide a brief reply, as I know he will be happy to do, but we must focus on the very specific question of Southern Cross. This is not a general debate, whatever the temptations experienced by the hon. Gentleman.

Paul Burstow: In the spirit in which the question was asked, if the hon. Gentleman were to write to me I would be only too happy to consider his request.

Andrew Stephenson (Pendle) (Con): The residents of Brierfield House care home in Brierfield and Hulton care home in Nelson will welcome the Minister's reassurance that no one will end up homeless as a result of this fiasco. Will he say more about how we will learn the broad lessons of this situation and ensure that something like this can never happen again?

Paul Burstow: As I have indicated, in the work that we are currently doing preparatory to producing a White Paper later this year, we are engaged with many stakeholders in discussing quality and regulation. We want to ensure that we are clear about the right questions to ask in framing policy, and that we then get the right policy to deliver a more sustainable, high-quality social care system for the future.

Kevin Brennan (Cardiff West) (Lab): The point that my right hon. Friend the Member for Wolverhampton South East (Mr McFadden) made is the key one. The Minister has been very careful not to say what he should be saying, and I understand why—his officials will have told him not to. Will he pledge to the House that if there is a catastrophe of the kind we all want to avoid, every vulnerable person who should not be moved will be able to stay in their residential home? That is the pledge that we need to hear from him today. He needs to show some leadership as the Minister responsible.

Paul Burstow: The pledge that I can give to the House today is that all local authorities with Southern Cross care homes and responsibilities for residents whom they have placed there are clear about their statutory duties to guarantee and provide care, not just for state-funded residents, but for those who are self-funded. That is the clearest guarantee that I can offer—it is the essential guarantee of continuity of care.

Mr Philip Hollobone (Kettering) (Con): My constituents are unclear about what effective regulatory early warning system exists to detect financial weakness in care home providers. In the light of the Southern Cross experience, how can any such mechanism be improved?

Paul Burstow: A number of hon. Members have asked how we ensure that we improve the system. Indeed, one question that the Health and Social Care Bill rightly raises is the future role of Monitor in effective regulation of the social care sector. We are exploring that issue with colleagues in the Department for Business, Innovation and Skills, and we continue to discuss it with other stakeholders. That could well offer us a longer-term solution.

Ann Clwyd (Cynon Valley) (Lab): As the Minister says, the care sector is increasingly reliant on private sector providers. The sector includes not only people who run care homes, but care agencies. I suspect that they will be one of our next problems.

As a significant proportion of care home and care agency income comes from public funds, I believe that the Government and local authorities have both the right and the responsibility to assess the financial stability of providers, which they entrust with the care of very vulnerable people. Why has that not been done?

Paul Burstow: I should take this opportunity, because it has not been asked of me, to say that I have this week spoken to Ministers in the devolved Administrations. My officials maintain contact and dialogue with them. There are real concerns in Wales, where 17,000 residents in 54 care homes are affected.

The right hon. Lady is right that we need to look at wider issues in the sector. Of course, under the current legislative arrangements, the CQC has a duty to examine financial viability. We will look at that issue further.

Mr Peter Bone (Wellingborough) (Con): Following the remarks made by the right hon. Member for Oldham West and Royton (Mr Meacher), directors have very specific duties in the stewardship of a company. Has the Minister had any discussions with the Business, Innovation and Skills Secretary about referring this matter?

Paul Burstow: I have not had those discussions—the need has not arisen—but I can be clear that the company feels that the consequences of yesterday's meetings are important in terms of its ability to carry out a restructuring that safeguards the interests of residents.

Gloria De Piero (Ashfield) (Lab): My constituents ask me specifically whether their elderly and sometimes frail relatives face the prospect of moving. I realise that my hon. Friend the Member for Cardiff West (Kevin Brennan) raised that issue, but what reassurance are we to give to our constituents in that respect?

Paul Burstow: I have tried to give the House a number of reassurances on that point. I would add that there have been home closures over a number of years, from which we must learn lessons. One lesson is that we must minimise the possibility of closures and ensure that when they take place they are handled sensitively, slowly and carefully. That is why I welcome the work that the Association of Directors of Adult Social Services recently published—it sets out strong, clear, evidence-based guidance to assist local authorities in managing any closures in future.

Diana Johnson (Kingston upon Hull North) (Lab): I have one Southern Cross home on Kesteven way in Hull and I am concerned about what the Minister said and the complacent attitude that the Department of Health is showing on the role of local authorities. Is there a co-ordinated plan for the whole country, bringing together all the local authority plans, so that we know that there is coverage for the whole country if the worst happens? I am not sure that there is.

Paul Burstow: Such work is in hand and has been for some time.

Emma Reynolds (Wolverhampton North East) (Lab): There is concern among Members on both sides of the House that 31,000 of the most vulnerable people in our country face having to move care home, with all the risks to their health that that involves. The Minister should not introduce a White Paper but sense the urgency of the matter. He should introduce regulations to ensure that the sector is more tightly regulated, and that such a situation does not happen again.

Paul Burstow: I understand the desire of all hon. Members for urgent action and a rapid resolution that secures the interests of residents, but I did not hear the hon. Lady suggest what those changes to regulation should be. When she cares to offer such suggestions, we can look at them.

Ian Mearns (Gateshead) (Lab): I am grateful for the Minister's reassurances, but I am afraid that they ring a little hollow, because I was aware of a great many shortcomings in the level and quality of care in Southern Cross homes in Gateshead before its financial crisis became a matter of public record. It seems that the CQC is looking at homes on an individual basis, and that it is not drawing a national pattern of the rotten care ethos within the whole of that organisation. When will the Minister address this as a national problem?

Paul Burstow: I am doing that, and shall certainly make it my business to look up past correspondence from the hon. Gentleman raising those concerns, so that we ensure that they are properly addressed.

Several hon. Members *rose—*

Mr Speaker: Order. I am keen to accommodate remaining colleagues, but may I remind them of the merits of brevity?

Ian Lavery (Wansbeck) (Lab): Thank you, Mr Speaker.

Residents in the six Southern Cross care homes in my constituency will be horrified by the Minister's opening remarks. He said that this is a commercial problem to be dealt with by the commercial sector, which is absolutely outrageous and will frighten the wits out of each of those 31,000 residents. This is a society problem, and it should be dealt with by the Government. What small crumbs or words of comfort can he give to people in my constituency? When will we stop abusing elderly people and using them as marketplace commodities?

Paul Burstow: Two contributors to this debate have conflated two completely separate issues. Yes, the business is in serious financial stress—it is working its way through to being a viable business in future—but this is not about the abuse of older people in those homes. We should not conflate the two. It is unhelpful. We need to have a sensible debate and secure a sensible restructuring of the business.

Mr Tom Watson (West Bromwich East) (Lab): I must tell the Minister that he is displaying a remarkable complacency in this crisis, which—like it or not—is his responsibility now. Hon. Members on both sides of the House will be holding surgeries this weekend and meeting the families and loved ones of the vulnerable people who live in those care homes. He has failed to give any guarantee about their future and he has not convinced the House of what lessons he has learned in the short term. This weekend, who can we phone—who will be in the Department?—if there is a problem?

Paul Burstow: I made it clear in my statement that the Department has taken steps, working with landlords, Southern Cross and others, to ensure that each party is clear about its responsibilities, and clear on what actions they would take in the event of business closure. However, I also want to be clear that as we move forward, we need to ensure that we learn lessons from this in the context of regulation, and to ask how this was allowed to occur in the first place. Now is not the time for those questions. My focus, as the Minister, is ensuring a successful restructuring of the business, and ensuring that the business remains focused on the welfare of residents.

Lilian Greenwood (Nottingham South) (Lab): I am sorry to press the Minister again on this, but I think he recognises that changes to care, even when well planned, have a serious impact on the health of care home residents. Can he guarantee that if those commercial discussions fail, residents will continue to be cared for in their existing homes?

Paul Burstow: The Government have made it clear that in no circumstances will we allow the residents of any of those care homes to find themselves made homeless without good continuity of care. That is the pledge that we make.

Joan Walley (Stoke-on-Trent North) (Lab): But is not the real question how the Minister will secure that guarantee? There is a real tension between care and commerce, and it seems to me that the restructuring could well affect certain areas disproportionately. We need briefings from the Care Quality Commission to ensure that Members in their constituencies can have feedback and reports on exactly how this matter is being dealt with.

Paul Burstow: I have already said that I take seriously the need to keep the House informed as we progress these matters. I am also clear that the paramount interest—the interest that the regulator has a statutory duty to enforce—is residents' welfare. That is what we are doing, and what we will continue to do.

Nic Dakin (Scunthorpe) (Lab): I welcome the Minister's comment that every resident will be looked after. Will he further reassure residents of Baytree Court in my constituency that they will suffer no detriment as a result of this situation?

Paul Burstow: I can say that of course we need to make it absolutely clear to landlords and the company that their actions have consequences, and that their actions now must be focused on a speedy resolution to the restructuring of the business that ensures it can continue to employ good-quality staff and provide care for the 31,000 people who live in its homes.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I heard the Minister say that he had had discussions with the devolved Administrations. In his discussions with his Scottish counterparts, was he made aware of the very real concerns of the Convention of Scottish Local Authorities that should there be a catastrophic outcome, as he described it, they would not have the funding or resources to deal with the consequences? What is he going to offer to help in that respect?

Paul Burstow: That catastrophic outcome is by far the most unlikely of all the outcomes for Southern Cross. The most likely outcome is a successful restructuring with some of the business being moved to other operators that currently are the landlords of some of these homes. When I spoke to Nicola Sturgeon earlier this week, we discussed all the issues that concern her and me, and we agreed on the need to pursue the path of a consensual, solvent restructuring of the business as the best way of securing the welfare of the residents in those homes.

Katy Clark (North Ayrshire and Arran) (Lab): Eighty per cent. of Southern Cross's income comes from the taxpayer, yet attempts seem to have been made to offshore as much of that money as possible. Age UK says that in the future all care home providers should have to demonstrate to the regulators that they have a solid business model. In his answer to my hon. Friend the Member for Wolverhampton North East (Emma Reynolds), the Minister seemed to imply that there had been no suggestions for how regulation could be strengthened. Will he seriously consider Age UK's suggestion over the coming months?

Paul Burstow: I am grateful for that question because it allows me to make the point that Age UK was very welcoming of the Government's proposition to look at Monitor's role in the social care sector. We are in discussions with it and will continue to consider the idea.

Mrs Mary Glindon (North Tyneside) (Lab): I understand that the Department of Health was invited to yesterday's meeting with Southern Cross. With 31,000 vulnerable people facing the possibility of losing their homes, why did no one from the Government attend?

Paul Burstow: The character of the meeting has changed significantly over the past couple of days. The meeting is now focused on reaching a clear agreement between the lenders, the landlord and Southern Cross. We wanted to ensure that they were focused on that, which is why no representatives of the Department of Health were at the meeting.

Jim McGovern (Dundee West) (Lab): All the contributions today have concentrated mainly on the rights and plight of residents, which is entirely understandable—I would not expect it to be any other way—but we should also think about the work force of Southern Cross. Just yesterday I was in touch with the local GMB organiser in Dundee, John Moist, who told me that at the homes in Dundee the work force are totally demoralised, which I think the Minister would agree is not the best atmosphere in which to provide care. Further to what was said earlier, will he consider setting up a helpline for MPs? Hon. Friends have talked about family members of residents coming to their surgeries this week; I have had employees at my surgeries, and it would help if I had someone to contact.

Paul Burstow: Just two days ago, I had a meeting with GMB officials to discuss their concerns about this and other issues in the social care sector. Of course we will consider the appropriate arrangements that might need to be put in place in the event of the scenarios that the hon. Gentleman talked about.

Academies (Funding)

12.14 pm

Andy Burnham (Leigh) (Lab) *(Urgent Question):* To ask the Secretary of State for Education to make a statement on funding for the academy programme.

The Minister of State, Department for Education (Mr Nick Gibb): The errors reported in the *Financial Times* today relate to mistakes made by local authorities in their returns to the Department for Education, which relies on local authorities to provide accurate information about their spending. Occasionally, individual local authorities make errors that can lead to academies getting too much, or indeed too little, funding. The system for funding academies, which was set up—I have to say—by the previous Government, is unclear, unwieldy and, in our view, unfair. It is no surprise, therefore, that some errors occur, which is why we are proposing changes to the school funding system to ensure that all schools and academies are fairly funded. We are proposing a system without the complexities that lead to these types of problems.

It is slightly odd for the right hon. Gentleman to ask these questions and attack us for the failings of a system created by the previous Labour Government, of which he was a member. We are the ones sorting it out, just as we are sorting out this country's historic budget deficit. The question for him is: does he agree that we should raise the bar for secondary schools from 35% achieving five good GCSEs including English and maths, to 40% next year? Does he agree that we should further raise it to 50% by the end of this Parliament? Does he agree with our announcement today—*[Interruption.]* I do not know why the Opposition do not want to hear this. Does he agree with our announcement on extending the academies programme to underperforming primary schools, particularly the 200 worst-performing primary schools, many of which were in that state for a decade while his party was in government?

Andy Burnham: When will the Government learn that they cannot just bat away the question and always blame somebody else for the things that go wrong? Today's *Financial Times* writes that the Department has given a large number of academies in England more money than they were entitled to. The news comes just days after the Secretary of State caved in to a legal claim from 23 councils that too much money was taken from their budgets to pay for academies. This raises a simple question: do the Secretary of State and the Minister have a grip on the budget?

But where is the Secretary of State? On a day when serious questions are being asked about whether the rapid expansion of his academy programme is backed up by a properly funded plan, only this Secretary of State could be in Birmingham announcing another major expansion of it. Why is he not here making that statement to the House of Commons? Should he not be here to reassure Members that he can proceed with his academies programme fairly and efficiently without penalising other schools in Members' constituencies? Will the Minister tell the House how many schools have been overfunded, and what is the total amount paid in error? Will this money be clawed back from schools? It is not good enough for the Minister to stand there and

[Andy Burnham]

blame everybody else. When will he take responsibility for the budget of his own Department? If it did not spot the mistake before the *Financial Times* reported it, why not? When will it put in place a proper accounting procedure?

Under threat of legal action, the Government have announced a U-turn on academy funding. Can the Minister set out the details and timetable for a review, and does he accept the need for urgency? Is it not the case that the Secretary of State repeatedly finds himself in these positions because he rushes ahead and fails to consult people on changes? We have been here before on school sport, education maintenance allowance and Building Schools for the Future. The only way people can make him listen to them is to launch a legal action. That is no way to run a Department. We hear that he will pay the councils' legal costs. In the past year, he has spent more money on solicitors' fees than Ryan Giggs and Fred Goodwin put together. How much has he spent on legal costs, and is this not a scandalous waste, when every penny is needed for children's education?

The Secretary of State is today raising the floor targets for secondary schools and focusing the academy programme on struggling schools. These are Labour policies, and we are pleased at his dramatic conversion to them. We support raising standards in our schools; it is the standards of the Secretary of State we worry about. Perhaps the plan we needed to hear today was for poorly performing Departments to be taken over by successful ones. The only trouble is—there are no successful Departments. On the radio today, the Secretary of State tried pathetically to blame Labour for his latest blunder. Is it not time that he took responsibility for his own serial incompetence before people lose confidence in him altogether?

Mr Gibb: Yet again, the right hon. Gentleman overstates his case. First, the Secretary of State is in Birmingham today speaking to the National College for School Leadership, which is a very important part of our system of raising standards, and I am sure that his predecessors spoke every year to those conferences too. We are taking action to tackle the problems, although I should remind the right hon. Gentleman that the problem highlighted by the *Financial Times* occurred every year under the last Labour Government. The difference between the former Government—his Government—and this one is that we are taking action to sort it out. That is why we announced a fundamental review of the school funding system. That review is already taking place, and we will be making further announcements and holding a further consultation on the details later this year.

The right hon. Gentleman also raised the issue of the LACSEG—the local authority central spend equivalent grant—which is about double funding, where central Government are funding both the local authority and the academy for the same central services. Again, that is something that occurred under the last Labour Government, and we are sorting it out. That is why the Department for Communities and Local Government top-sliced £148 million off the funding to local government—to deal with that double funding. We are now looking at the issue again, as a result of the action taken by the 23 local authorities, and sorting it out. I would like to know from the right hon. Gentleman whether he supports us in our review of the funding system, so that we can create a simpler and clearer system that all can understand, and one that is similar for schools and academies. We want to achieve a per-pupil funding system that is fair and that all can understand, rather than the system over which his Government presided where schools in some local authorities received some £4,000 more per pupil than other schools with the same problems. Those are the problems that this Government are seeking to sort out, and I hope that he will support us in those plans.

Robert Halfon (Harlow) (Con): Is it not the case that this urgent question is a smokescreen for those who oppose academies, given that we have created more academies in 12 months than Labour created in 12 years? Is it not also the case that the last Government left 500,000 children illiterate, and that those who are creating obstacles to academies want to wallow in mediocrity rather than pursue excellence?

Mr Gibb: My hon. Friend is, of course, absolutely right. It is not clear where the Opposition stand on, for example, free schools. Since the election, the right hon. Member for Leigh (Andy Burnham) has said that he opposes the establishment of free schools. However, since the news broke that one of Tony Blair's closest aides is setting up his own free school, the right hon. Gentleman has told journalists that he now supports free schools. Which is it: does he support our academies programme and the free schools programme, or would he close down those schools if he came to power?

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): When I published the original policy paper on academies 10 years ago, it was never intended that they should be overpaid and that local authorities should be underpaid for doing the job of supporting pupils. Can the Minister confirm that the 2.25% that has been withdrawn from school funding generally and the overspend on academies have denied other children the key services that they need to raise standards and give them the life chances that all of us should want for every child?

Mr Gibb: I think it is rich when former Education Secretaries attack us for this policy. We are talking about a system that this Government inherited from the previous Government, and we are trying to sort it out. We will look at every instance of underfunding or overfunding of academies on a case-by-case basis. We want to reach a position where all schools and academies in this country are funded through a fair, simple and transparent process.

Mr Mike Hancock (Portsmouth South) (LD): We can all accept that the problems that have occurred are the fault of the regime in place under the last Labour Government, but can the Minister give me an assurance that he will put in place a replacement formula, so that the next tranche of academies will not suffer from the same inconsistencies, and local authorities, which will continue to service other schools, will not experience a detrimental cut in their allowance?

Mr Gibb: I am grateful to my hon. Friend for raising those issues. That is precisely what we intend to introduce and what the current review of school funding is seeking to deliver. That review is taking place right now, and later in the year we hope to be able to announce a further consultation on the details of its outcome.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Minister aware that he is in danger of alienating those of us on the Opposition Benches who believe in the academy model for underperforming schools and who welcome announcements that are made to this House? The question asked by Sarah Montague on Radio 4's "Today" programme this morning has to be answered: does the incompetence that we are talking about this morning emanate from local authorities, as the Secretary of State said time and time again, or from the Department?

Mr Gibb: As the Secretary of State made clear, we are talking about an error in the figures reported by local authorities to the Department, and these errors happen every year. We are determined to simplify the system, because it is the complexity of that system which results in local authorities making those errors when they report the numbers. The only way to tackle the problem is to simplify the system, which is what the school funding review is charged with delivering.

Charlotte Leslie (Bristol North West) (Con): Does the Minister agree that this urgent question is an extraordinary own goal? Labour either knew about this structural, technical problem and did nothing about it, or else it had no idea. Which does the Minister think is worse: not knowing or ignoring?

Mr Gibb: My hon. Friend raises an important point, which goes to how to handle opposition. That is why I asked the right hon. Member for Leigh the questions that I did. This is not about just jumping on the latest bandwagon of a *Financial Times* report; it is about working out where the Opposition stand on issues such as raising the bar on standards in secondary schools and how to tackle the 200 worst-performing primary schools.

Mr Andy Slaughter (Hammersmith) (Lab): Since the beginning of the year, at the request of parents in my constituency, I have been trying to find out the funding basis of the several free schools due to open there. I have with me correspondence from the Department giving every possible excuse for not giving that information—it even makes "The dog ate my homework" sound plausible. The last correspondence, from two months ago, concerned my appeal against the refusal under the Freedom of Information Act. I have had no response whatever from the Department, which is concealing the information either because it does not know it because it is incompetent, or because free schools are being treated in a preferential way. Will the Minister please now answer those questions?

Mr Gibb: Details of free schools will be published once they open, so the hon. Gentleman will be able to see all that information once that free school opens. We are concerned about disclosing details of proposals for free schools where they have been turned down, because that can cause embarrassment to the individuals who have made those proposals, who will sometimes be teachers who have existing jobs. There are all kinds of reasons why we have to maintain confidentiality for those proposals, but all those details will be made available for any free school that opens.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I welcome my hon. Friend's statement about simplifying the system. I hope that he agrees that it is only fair that students in free schools or academies should receive the same amount of funding as that provided to those in LEA schools.

Mr Gibb: My hon. Friend raises a good point. That is how the system is supposed to work, and how it does work. Academies are funded on the same basis as maintained schools; however, they have more control over that element of funding which is currently spent by the local authority on those central services provided by the academy. That is all that is meant to happen with the funding system. It is the complexity arising from that system and the fact that local authorities are funded by both the Department for Education and the Department for Communities and Local Government that has led to problems. However, this is an issue that we are tackling and sorting out.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Even though the Secretary of State is in Birmingham, just in case he does not get a chance to talk to Councillor Les Lawrence, who recently complained bitterly on the front page of *The Birmingham Post* about significant hidden costs in the academies programme that leave local education authorities out of pocket, can the Minister address those concerns and say what the Secretary of State's answer to Les Lawrence would be if he has the chance to talk to him today?

Mr Gibb: We have talked to Les Lawrence on many occasions. He raises an important point, which is that when the top-sliced funding for local authority central services is taken away from local authorities, there is an issue about how we allocate those savings across local authorities. That is the issue on which there has been correspondence with those local authorities. We are reviewing the position to ensure that we do not leave local authorities in a position from which they cannot fund the central services that they continue to provide to maintained schools, as well as those that they continue to provide to pupils attending academies.

Angie Bray (Ealing Central and Acton) (Con): I agree with the point made by my hon. Friend the Member for Harlow (Robert Halfon) that the Opposition do not like to listen to the success story that is the academies programme. Why does the Minister think that more than 1,200 schools have already applied for academy status?

Mr Gibb: Those schools are applying because of the autonomy and independence that academy status brings to them. My hon. Friend is right to cite the figure of 1,200. By now, 704 academies have opened, compared with 200 when this Government came into office. They are delivering a very high standard of education, and I hope that the Opposition will support not only our existing academy programme but our proposal to extend the programme to primary schools and, in particular, to the 218 worst performing primary schools.

Helen Jones (Warrington North) (Lab): I feel sorry for the Minister today, because he has clearly been sent here as the fall guy. Speaking as a parent and on behalf of the parents in my constituency, I should like to ask him a question. We have a Secretary of State who botched up the Building Schools for the Future programme, who had to do a U-turn on school sport partnerships and who cannot spot errors in the funding programmes of his own Department. Why should any parent have confidence in his running the education system when he cannot even run his own Department?

Mr Gibb: I know and like the hon. Lady; I have known her for many years. She is trying to create a theme here, but there is no theme. The problem that was reported in the *Financial Times* today occurs every year. It arises from the complexity of the funding system, which we are trying to simplify. It is as simple as that, and we will sort it out.

Stephen McPartland (Stevenage) (Con): I congratulate the Minister on moving the focus on to the 200 worst-performing primary schools. Does he agree with Nick Pearce, the head of the Institute for Public Policy Research and Tony Blair's former policy adviser, that this is something that the previous Government did not focus on enough?

Mr Gibb: Yes, I do. When we were in opposition, we proposed extending academy status to primary schools. The schools Minister at the time thought it was an appalling idea. However, we have to do something about the 200 underperforming primary schools. Indeed, we have to do something about all the underperforming primary schools, because primary school is where children learn the basics of reading and arithmetic. If we do not get it right in those early years, the life chances of all those thousands of children attending those underperforming schools could be blighted. We intend to sort those schools out.

Ian Mearns (Gateshead) (Lab): The Secretary of State has made it plain that if schools do not buy a raffle ticket by going for academy status, they will not be able to get involved in the raffle to get capital out of the future school funding. He has already admitted to the House that 100 staff in his Department are engaged in the expansion of the free schools programme. How many staff are engaged in this botched expansion of the academies programme, and how much is that costing the Department?

Mr Gibb: This is an important part of raising standards in our school system; indeed, it is a crucial element. When 9% of boys leave primary school with a reading age of seven or under—they are basically unable to read—it cannot be said that applying staff in the Department to deliver the academies programme is a waste of taxpayers' money. This is good money that is being diverted to a programme designed to raise standards in our least-performing schools, and I think that it is a good use of taxpayers' money.

Nadhim Zahawi (Stratford-on-Avon) (Con): Does my hon. Friend agree that it is extraordinary for the Opposition to quibble about accounting errors? Is this not a smokescreen to distract attention from Tony Blair's comments during the past two weeks supporting this Government's policies on academies and primary schools?

Mr Gibb: My hon. Friend raises a point that I was too sensitive to raise with the Opposition spokesman—namely, that our policies were endorsed in *The Sun* yesterday by the former Prime Minister, Tony Blair. Furthermore, the former schools Minister, Lord Adonis, voted for our Academies Bill in the other place, supporting our expansion of the academies programme. I wish that the official Opposition would now support it too.

Mr Tom Watson (West Bromwich East) (Lab): Is the Minister familiar with the maxim that a Minister can delegate power but not responsibility? Why does he not just say sorry to parents and pupils?

Mr Gibb: We are not denying responsibility. We are taking action to simplify the over-complex funding system that we inherited, which led to problems such as these in previous years.

Brandon Lewis (Great Yarmouth) (Con): In Great Yarmouth, we have seen the benefit and freedom resulting from the transformation of schools such as the Ormiston academy. Does the Minister agree that it is that freedom and the potential for transformation that are encouraging at least one in three secondary schools to apply for academy status?

Mr Gibb: My hon. Friend is absolutely right. He will know, as I am sure the Opposition do, that academies are improving at twice the pace of the rest of the schools system. That is why we are so determined to expedite the process of conversion to academy status.

Kerry McCarthy (Bristol East) (Lab): Turning underperforming schools into academies in Bristol was, for the most part, a great success. Free schools, however, are not needed and, for the most part, not wanted there. When are the Government going to get their priorities right, get a grip on their finances and help Bristol to address the real problem that it is facing at the moment—namely, the chronic under-provision of primary school places?

Mr Gibb: The hon. Lady seems to be contradicting herself. There is a shortage of primary school places, yet she says that there is no need for the free school programme, which could be used to create more school places. We want not only more school places but more high-quality school places, and that is what the free school programme, in particular, is designed to achieve.

Mr Mark Spencer (Sherwood) (Con): The Dukeries college in Ollerton and the Joseph Whitaker school in Rainworth are just two of the large number of schools that are applying for academy status. Is not the fact that the numbers have reached such a high level a ringing endorsement of the Minister's policy?

Mr Gibb: Yes, and it demonstrates that the teaching profession values that autonomy and the trust that the Government are putting in them. That is in enormous contrast to the top-down, prescriptive approach taken by the previous Government. That is why I believe that our system will work. In contrast, Labour did not manage to achieve a significant rise in standards in the schools system during its 13 years in office.

Diana Johnson (Kingston upon Hull North) (Lab): Can the Minister tell the House how many times the previous Labour Government were taken to court over their education policies?

Mr Gibb: The Sharon Shoesmith case springs to mind. I will write to the hon. Lady and let her have those figures.

Richard Fuller (Bedford) (Con): Financial and accounting errors are a serious matter, and it is not surprising that the shadow Secretary of State for Education has raised the issue, given his direct experience of the catastrophic financial and accounting errors under the last Government. Does the Minister not agree that, on a day when this Government have thrown a lifeline to children trapped in underperforming primary schools, it is odd that Labour has once again turned its back on those children?

Mr Gibb: My hon. Friend is right. The Secretary of State has announced that we are taking urgent action to convert the 200 least-performing primary schools in this country to academy status, transforming those schools and giving the youngsters who attend them a significantly better start to their education, and I would have thought that that should be the issue to be raised today.

Nic Dakin (Scunthorpe) (Lab): Given the Department's serial bungling, can the Minister tell us how much it has spent on defending legal challenges in the past year?

Mr Gibb: These issues are faced by all Governments and all Departments—[HON. MEMBERS: "How much?"] I do not have those figures to hand, but if I am able to get them, I will write to the hon. Gentleman.

Charlie Elphicke (Dover) (Con): Three of the 704 new academies are in my constituency. We are seeing an education revolution, so why are we not discussing that and the success of our schools, rather than accounting errors that are a car crash left by the previous Government?

Mr Speaker: Order. The simple answer to the hon. Gentleman's inquiry is that we are discussing this matter because an urgent question application was submitted to me and granted by me. No further discussion of that point is required.

Neil Carmichael (Stroud) (Con): Is it not the case that this urgent question has certainly underlined the need for a full investigation and inquiry into the discredited system that the last Government used for the funding of schools, which was unfair and inefficient? Is it not ironic that this issue has been raised when schools want more autonomy from such systems? Is it not also the case that we should support—

Mr Speaker: Order. That is enough. The hon. Gentleman has had a good outing and I am sure he has enjoyed it.

Mr Gibb: My hon. Friend is absolutely right and asked a good question. Many local authorities have been raising this issue for many years; they campaigned on it and lobbied the previous Government about the unfairness of the school funding system. That is what we are determined to sort out with the school funding review.

Anna Soubry (Broxtowe) (Con): I visited Foxwood special school in my constituency on Friday and learned how keen it is to obtain academy status. Will the Minister help Foxwood and other special schools by encouraging them to apply for that status, and will he particularly assist Foxwood school?

Mr Gibb: I am grateful to my hon. Friend. One of the changes proposed in the Education Bill is to allow academy status to apply to special schools as well. I would be very happy to help my hon. Friend; if she and the head teacher of that particular special school would like a meeting in the Department to discuss academy status, I would be delighted to arrange it.

Mr Philip Hollobone (Kettering) (Con): The new academies in Kettering are hugely welcomed by local residents. Can the Minister confirm that the proportion of education funding that goes into teaching pupils will go up under this Government, with a lesser proportion being spent on bureaucracy in local town halls and in his Department?

Mr Gibb: My hon. Friend raises an important point about bureaucracy in the education system. We are devoting a huge amount of resources within the Department to clamping down on bureaucracy and removing bureaucratic burdens on schools. It is a large amount of work; it involves rewriting reams of guidance. The guidance on bullying runs to something like 400 or 500 pages, and I think it is rarely read in schools. We are streamlining it and slimming it down to about 25 pages, and we are doing the same thing with all the guidance so that it becomes efficient, quick to read and of high quality. Schools will then be able to use it without having to read through reams of lever arch files emanating from the Department. We are putting a stop to that.

Business of the House

12.42 pm

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for next week will be:

MONDAY 20 JUNE—Second Reading of the Pensions Bill [*Lords*].

TUESDAY 21 JUNE—A motion relating to the partial recommittal of the Health and Social Care Bill, followed by remaining stages of the Scotland Bill.

WEDNESDAY 22 JUNE—Opposition Day [18th allotted day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 23 JUNE—A motion relating to review of congenital cardiac services for children followed by a motion relating to wild animals in circuses. The subjects for these debates were nominated by the Backbench Business Committee.

The provisional business for the week commencing 27 June will include:

MONDAY 27 JUNE—A debate on House of Lords reform.

TUESDAY 28 JUNE—Opposition Day [19th allotted day]. There will be a debate on an Opposition motion. Subject to be announced.

Hilary Benn: I am grateful to the Leader of the House for that reply.

The whole House will have welcomed this week's successful meeting of the Global Alliance for Vaccines and Immunisation, which showed why the last Government were right to prioritise the vaccination of children from a rising aid budget and why this Government are right to continue to show leadership to save children's lives.

Will the right hon. Gentleman confirm that the current Session will end in March next year, with a Queen's Speech before the end of that month so that it is all done before the Easter recess and pre-election purdah?

On the Health and Social Care Bill recommittal motion, will the right hon. Gentleman confirm that it will be debatable and tell us for how long? The House must have the opportunity to discuss how the Bill will be scrutinised because the Health Secretary has said that only the relevant parts of the Bill will be recommitted. That is completely unacceptable, and it will make life only more difficult for the Government in the other place where, as we know, they already have problems with time. In the case of the last two Bills to be recommitted, the whole of the Bill was sent back. When are we going to see the draft amendments? How many clauses are going to be changed? What about the knock-on effects on other clauses? The reason why the Bill is in chaos is that the Government really messed it up first time round. That is why trust is in very short supply, making it essential that, this time round, the House and all those who care about the health service have the time and scope they need to look again at the Bill in detail.

As well as reconsidering the Health and Social Care Bill, can we also have a debate on why the Prime Minister got this so catastrophically wrong in the first place, with staff being sacked and then re-hired at great expense? As we saw yesterday—and it was really rather embarrassing—the Prime Minister does not do his homework and he does not even know what is in his own legislation. While no one wants to take responsibility for the mess, everyone is trying to claim credit for the changes. The Lib Dems think they have saved the NHS from the Tories, which has irritated those on the Conservative Benches, while the Prime Minister thinks he has saved the NHS from his Health Secretary, who is no doubt pretty cross, too. However, the people who really count, the public, think what we have known for a very long time—that you can't trust the Tories on the NHS.

Following the comments of the First Sea Lord this week about the effects of the Libya campaign on the Royal Navy and bearing in mind that we could have saved both time and money if we still had our Ark Royal and its Harriers, when are we going to have a statement from the Defence Secretary about looking again at the strategic defence and security review? The review has proved incapable of surviving contact with real events, and it has left this country in the extraordinary position of being an island nation that cannot put an aircraft carrier to sea.

Having heard the Government's pathetic excuses for refusing to bring in a ban on the use of wild animals in circuses, during the course of which the House was told, wrongly, that this was because of a non-existent legal case, has the Leader of the House had any indication from Department for the Environment, Food and Rural Affairs Ministers that they plan to make a statement dumping the policy before next Thursday's debate? If not, will the right hon. Gentleman join my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), the hon. Members for The Wrekin (Mark Pritchard) and for Colchester (Bob Russell), me and many other Members in voting to do the right thing?

Finally, can we have a debate on weekly rubbish collections? Although it was the Secretary of State for the Environment, Food and Rural Affairs who answered Tuesday's urgent question, we really want to hear from the Secretary of State for Communities and Local Government as we all know that this was his pet project and his great cause, so he must be very disappointed. Brimful of nostalgia for the clink of glasses of warm beer, the thwack of willow on leather and the clang of weekly bin collections, he had proclaimed that having the rubbish taken away every seven days was

"a basic right for every Englishman and woman"—

Shami Chakrabarti and Liberty, please note. Jumping heroically on a passing bin-wagon, the Communities Secretary pledged to bring back weekly collections. In fact, he has been defeated by his own Conservative councillors who, after all, have introduced more alternate weekly collections than anyone else—Conservatives like Andrew Nunn, an environment cabinet member in Suffolk, who said bluntly:

"Eric Pickles should spend less time reading the newspapers. He's got it wrong."

I agree, but with one exception. After all the policies that the Government have had to throw away in the last few weeks, there is one address that desperately needs to keep a weekly collection of rubbish—No. 10 Downing street, where there is even enough room for a bin lorry to do a U-turn.

Sir George Young: I thank the right hon. Gentleman for that response. The House will note that his performances at business questions are attracting the attention of powerful friends. Last Friday, he was praised by the *Daily Mail*, which announced:

"Hilary Benn for Labour leader. The campaign starts here".

After that intoxicating but unlikely endorsement, I looked up the odds on the right hon. Gentleman becoming the next Labour leader. I was disappointed to see him some way behind the pack at 33:1, but if I were a betting man, I would say it was worth a pony on the shadow Leader of the House.

I welcome what the right hon. Gentleman said about the conference on Monday. He will have noted the extra £800 million that the Government have invested in vaccination, and he will have heard the Secretary of State's statement on Wednesday about our overall policy on aid.

The right hon. Gentleman should not believe everything that he reads in the press. The end of the Session will depend on the progress that we make with legislation. I remind him that the then Government were not telling us 10 months before March last year—in 2009—when that Session would end. According to my recollection, we did not know when it would end until March, when the Government hit the buffers.

The motion to recommit the Health and Social Care Bill would normally have been taken forthwith under the Standing Orders. We propose to make time available for the Bill to be debated, and to recommit the parts that were amended by the Government in their recent statement.

Chris Bryant (Rhondda) (Lab): They were not.

Sir George Young: I mean the parts that we propose to amend. The recommittal motion will be tabled in good time for the House to debate it on Tuesday.

As for the right hon. Gentleman's comments on the Bill, I hope that he read what Lord Darzi said about our policy. He said:

"I certainly don't see it as a U-turn. I see it as a continuum of reform that the health service has witnessed for the last decade under Labour and it's moving on into the next decade very much based on the changes in the demand on the health service."

I hope that that view will be reiterated by Opposition spokesmen as the Bill proceeds through its remaining stages.

The Prime Minister dealt with the First Sea Lord's comments yesterday when he referred to the statement by the Chief of the Defence Staff that we had the resources to continue the exercise in Libya for as long as it took. I remind the right hon. Gentleman that his party in government deferred the conducting of a strategic defence and security review for a long time. We have conducted one, and we have no plans to revisit it.

I announced that there would be a debate on circus animals next Thursday, in Government time, and the Government will make their position clear during that debate. I remind the right hon. Gentleman that that is yet another issue on which his party in government failed to take any action, leaving us to sort it out.

I was slightly surprised when the right hon. Gentleman raised the subject of bin collection. I remember his rather humiliating U-turn on waste only two years ago when, as Environment Secretary, he had to back down on his own proposals. As my right hon. Friend the Secretary of State said, we are backing local authorities that want to increase the frequency and improve the quality of their bin collections, and we have abandoned Labour's guidance to the Audit Commission which penalised local authorities that carried out weekly collections.

Philip Davies (Shipley) (Con): When can we expect a statement and a debate on sentencing? According to new assault guidelines, an assault on a police officer which involves a punch to the stomach that winds a police officer, when the criminal attempts to evade arrest and has previous convictions for public order offences, can now be punished with only a fine. That kind of soft, lily-livered approach to sentencing is driving my constituents mad, and it is time that the Government got a grip on the issue once and for all.

Sir George Young: I have some good news for my hon. Friend. The Government will shortly be introducing a legal aid and sentencing Bill, which will give him an opportunity to share his views with the House at greater length.

Vernon Coaker (Gedling) (Lab): Will the Leader of the House find time for an urgent statement enabling the Business Secretary to explain to the House why the Government are refusing to sign a United Nations convention that protects the rights of domestic workers? On the day of the announcement to that effect, the Secretary of State for Work and Pensions was supporting an inquiry into modern-day slavery. It is about time that the Government got their act together.

Sir George Young: Questions to my right hon. Friend the Business Secretary will take place on 14 July, but in the meantime I will draw my right hon. Friend's attention to the hon. Gentleman's question and ask him to reply to it.

Nigel Mills (Amber Valley) (Con): Will the Leader of the House find time for a statement by the Secretary of State for Transport explaining this morning's decision to award the contract for Thameslink trains to Siemens, which will manufacture them in Germany, rather than to Bombardier, which would have manufactured them in Derby? I think that the whole House would like to understand how we reached the position of having to export those jobs to Germany.

Sir George Young: I believe I am right in saying that my right hon. Friend the Secretary of State for Transport issued a written ministerial statement today on two subjects, one of which was the award of that contract. Next Thursday, when my right hon. Friend responds to oral questions at the Dispatch Box, my hon. Friend will have an opportunity to press him, or more likely her—the Minister of State, Department for Transport, my right hon. Friend the Member for Chipping Barnet (Mrs Villiers)—on the reasons for a particular decision to award the contract to a particular company.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Earlier today, during questions to the Secretary of State for Culture, Olympics, Media and Sport, the future of

[Jonathan Reynolds]

Supporters Direct was raised. Since its creation 11 years ago, that organisation has been at the forefront of community involvement in football clubs, but its future is very much in doubt following the decision to rescind funding from the Football Stadia Improvement Fund. I believe that, whether one is a supporter of co-operatives, a supporter of the big society or just a football supporter, the excellent work done by Supporters Direct cannot be lost.

I understand that my hon. Friend the Member for Rutherglen and Hamilton West (Tom Greatrex) has applied for a Westminster Hall debate on the subject. I do not know whether the Leader of the House is a football-supporting man, but I wonder if he will support my hon. Friend's request.

Sir George Young: He is. He has supported Queen's Park Rangers for a very long time, and welcomes its recent promotion.

I understand that during the exchange at Question Time, the Minister for Sport and the Olympics, my hon. Friend the Member for Faversham and Mid Kent (Hugh Robertson) was very supportive indeed of the hon. Gentleman's proposition. I hope that it will be pursued further in Westminster Hall, and I will ask my hon. Friend whether he can add to what he said earlier.

Karen Bradley (Staffordshire Moorlands) (Con): Many of my constituents have contacted me because they are concerned about the disruptive effect that industrial action by teachers will have on their children's education. May we have a debate on that important issue?

Sir George Young: I understand my hon. Friend's concern, which I am sure is shared by many Members on both sides of the House. I think it regrettable that two teachers' unions have decided to take industrial action at a time when the Government are still negotiating with them about the future of pensions. That will be bad news for the children, and bad news for parents who go out to work.

Responsibility for contingency planning rests with individual employers, and at this stage the Government have no plans to change the legislation, but I will bring my hon. Friend's concern to the attention of the Secretary of State for Education, and will see whether there is any further action that he can take.

Mr Andrew Love (Edmonton) (Lab/Co-op): In his Mansion House speech last night, as well as pre-empting the final report of the Independent Commission on Banking, the Chancellor announced the sale of Northern Rock to the highest bidder. I do not know whether that will be considered in the statement that will follow business questions, but, if not, may I urge the Leader of the House to arrange a debate, or indeed a statement, on the issue? That would enable the House to be told why, in this instance, the Government have chosen not to implement the pledge in the coalition agreement

"to foster diversity in financial services, promote mutuals and create a more competitive banking industry."

Sir George Young: Let me respond to the direct question posed by the hon. Gentleman by saying that whether a question about Northern Rock would be in order in the statement that is to follow would be a matter for you, Mr Speaker. I see that you are reflecting on it as we speak.

It has always been the Government's policy to return Northern Rock to the private sector, and that is what my right hon. Friend the Chancellor announced yesterday evening.

Mr Andrew Turner (Isle of Wight) (Con): The London Organising Committee of the Olympic Games and Paralympic Games appears to believe that the London Olympic Games and Paralympic Games Act 2006 prevents other people from even mentioning next year as a date. It says that the term "2012" is now widely used in the United Kingdom as a reference to the games. My constituent Julie Benson, founder of the Great Exhibition Company, is being threatened by that. She said that her exhibition next year

"will promote the best of Great Britain to the rest of the world —it's not about a sporting event in London.'"

Can the Leader of the House reassure me—and Julie Benson, and printers of diaries and calendars everywhere—that the Act does not confer on LOCOG exclusive rights to any number or date, and that Members will not have to rely on the privileges of their membership of the House to talk about the date next year?

Mr Speaker: I am sure the ingenuity of the Leader of the House is such that he will fashion a way to relate his answer to the business of next week.

Sir George Young: Or, indeed, next year.

I endorse my hon. Friend's general proposition: that there is no monopoly on 2012, and we are at liberty to refer to it. However, I would hesitate before engaging in what appears to be a legal dispute between two companies, as I believe that would be better sorted out by the courts than by Ministers.

Chris Bryant (Rhondda) (Lab): May we have a debate on the fiduciary responsibility of members of boards of directors? Both UK and United States law makes it clear that directors are bound to

"exercise reasonable care, skill and diligence"

in ensuring companies act lawfully, yet this clearly has not happened in relation to News Corporation, the owner of the *News of the World*, where criminality has gone on extensively. That now leaves people such as José Maria Aznar, Andrew Knight, Kenneth Cowley, Rod Eddington, Thomas Perkins and Stanley Shuman in real legal peril.

Sir George Young: I believe that the hon. Gentleman has just asserted that somebody had acted unlawfully. If that is the case, it is a matter for the police.

Nick de Bois (Enfield North) (Con): May we have a debate on the ownership and effectiveness of local and regional newspapers—including mine, *The Enfield Advertiser* and the *Enfield Independent*—since many editors throughout the country feel they are unable to scrutinise local public bodies? While it is not our role to run newspapers, I believe that, given the pressures on the industry, we should debate the implications of this serious matter.

Sir George Young: I would welcome a debate in Westminster Hall, or initiated by the Backbench Business Committee, on the health of local newspapers, in which we all have an interest. My hon. Friend's question did not make it clear why they were impeded from reporting on certain matters, but if he writes to me, I will see what I can do, in conjunction with my right hon. Friend the Culture Secretary.

Mr Denis MacShane (Rotherham) (Lab): May we have an early debate on nannies? I think the Leader of the House is now beyond the nanny-using stage of his life, but for many of us he is a kind of generous nanny within the House. However, as I speak, in Geneva, British representatives, instructed by the Prime Minister, are seeking to vote against a vital International Labour Organisation convention to protect domestic workers, and we are the only democracy so to do. This is not a matter for Department for Business, Innovation and Skills questions; it goes to the heart of this Government and, as with the EU trafficking directive, their contempt for international conventions to protect the most weak and vulnerable in our nation.

Sir George Young: We did, of course, sign up to the EU trafficking convention. I think the right hon. Gentleman's question is the same as that asked a few moments ago by his party colleague, the hon. Member for Gedling (Vernon Coaker), in answer to which I undertook to raise the concerns with my right hon. Friend the Business Secretary, who has responsibility for these matters, and then to communicate that answer to the hon. Gentleman. I will send that response to the right hon. Gentleman as well.

Gavin Williamson (South Staffordshire) (Con): Will my right hon. Friend support me in getting Ministers to answer questions on the dreadful treatment of my constituent, Julie Roberts? She has worked for Royal Mail for 21 years in the villages of Seisdon and Trysull. She recently had her mail van stolen. She immediately jumped on to its bonnet and held on for a mile while the thief tried to make a getaway. She was able to get the van stopped, and regain control of the vehicle. How does Royal Mail treat this lady? It suspends her, and she is under threat of losing her job. People in South Staffordshire want her back in work and Royal Mail to show some common sense and common decency.

Mr Speaker: I am unsure whether that is a request for a statement or a debate.

Sir George Young: Julie sounds like a courageous lady who was doing her best to defend Royal Mail property, and I will certainly draw my hon. Friend's remarks to the attention of the Royal Mail chairman, and make sure this lady is recognised, if appropriate, rather than penalised.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): It used to be the case that after the G8 summit the Prime Minister would make an oral statement to the House, which would allow us to question him on what he had done on the nation's behalf, but we appear not to be having such a statement this year. Will the Leader of the House ensure that we reinstate this practice in future years, and not just for the G8 summit coming up shortly in the year that cannot be mentioned, but for other events such as the G20 summit, so we can properly hold the Government to account on what they do on our behalf in the international arena?

Sir George Young: My right hon. Friend the Prime Minister has made more statements from the Dispatch Box than his predecessor and has reported after most major conferences, and he is more than happy to hold himself to account. I will make some inquiries, including about the particular point the hon. Gentleman mentioned, but my right hon. Friend is certainly more than prepared to come to the House and answer questions after major international conferences.

Mr David Nuttall (Bury North) (Con): May we have a statement on the continuing debt crisis in the eurozone and its effect on our International Monetary Fund contributions?

Sir George Young: I think my hon. Friend might be referring to a wholly misleading article that appeared in *The Sun* this morning. A resolution referring to our contribution to the IMF is before the House, and it will go upstairs to a Committee. The move to increase the IMF's resources was first agreed by the G20 in April 2009, which was before any eurozone support, and I am sure the proposition will receive the attention it deserves from the House.

Joan Walley (Stoke-on-Trent North) (Lab): Further to today's written statement from the Department for Environment, Food and Rural Affairs saying that the Government will extend buying standards for food and catering across Whitehall, may we have a debate on such regulation? We need a national framework that applies to all public sector bodies, and it is wrong for hospitals to be excluded, particularly when we have made so much progress in the fish campaign.

Sir George Young: I commend the campaign. The next DEFRA questions will take place a fortnight from today, but in the meantime I will see if I can get an answer to the hon. Lady's point.

David Rutley (Macclesfield) (Con): Community groups play a vital role in helping to regenerate town centres and in attracting people to them by holding events such as the Barnaby festival, which will take place this weekend, and to which all Members are welcome. Will my right hon. Friend consider holding a debate on the important role community groups play in the regeneration of town centres, and will he join me in wishing the Barnaby festival every success this weekend?

Sir George Young: I am sorry that I cannot attend the Barnaby festival, but I am sure my hon. Friend will be present. This is an example of the big society in action. It is an opportunity for the community to come together and celebrate its history, and to promote Barnaby. I hope that the Barnaby festival will create opportunities for further regeneration and renewal, and I wish it every success this weekend.

Kevin Brennan (Cardiff West) (Lab): On recommittal of the Health and Social Care Bill, why should not all Back-Bench and Front-Bench Members of any party have as much opportunity as the Government to table amendments, and to any part of the Bill they choose?

Sir George Young: They will have exactly that opportunity when the Bill reaches its Report stage; any Member will be able to seek to amend any part of the Bill when it comes back to the House on Report.

Mr Peter Bone (Wellingborough) (Con): Saturday marks the 196th anniversary of the battle of Waterloo. May we have a statement from the Leader of the House on what plans are in place to mark the day when Britain, led by a future Conservative Prime Minister, defeated the French and ended their domination of Europe—and is there any likelihood of history repeating itself?

Sir George Young: One of my ancestors, Admiral Sir George Young, was a contemporary of Nelson, so I have a particular interest in my hon. Friend's question. I will refer the matter to my right hon. Friend the Secretary of State for Defence, in order to find out whether there are any proposals to commemorate this important anniversary.

Ian Mearns (Gateshead) (Lab): Will the Leader of the House consider finding time for a debate on the proposed sale of Northern Rock? I understand that the Treasury has this morning told reporters that retention of the Northern Rock Foundation, which does important big society work in the north-east of England, will not be a condition of the sale, which is a great concern to many of my constituents, and to people across the north-east of England.

Sir George Young: I have had a very quick conversation with my hon. Friend the Financial Secretary to the Treasury, who is sitting beside me, and I understand that he has the answer to the questions the hon. Gentleman has just posed somewhere in his red folder.

Angie Bray (Ealing Central and Acton) (Con): Later this afternoon, a plaque is being unveiled at the excellent Brentham club in Ealing to commemorate Fred Perry, who started his tennis career there. Does the Leader of the House agree that we want more of our young tennis players to get into the top rankings and that it might be helpful to spend some time in a debate working out how we can help to achieve that?

Sir George Young: I have happy memories of the Brentham club, which used to be in my Ealing constituency, and I am delighted to hear of the event commemorating Fred Perry. I also have happy memories of the Ealing lawn tennis club, which I hope is also surviving. I would welcome a debate on sport and how we might do more to encourage young people, not only in tennis, but in other activities. I very much hope that 2012—I hope I may mention that date without getting into serious trouble—will provide an opportunity to raise the profile of sport and encourage more young people to get involved.

Diana Johnson (Kingston upon Hull North) (Lab): May we have a debate on the decision that the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker) took this week to increase the Humber bridge toll to £3 per car per crossing, which is now the most expensive in Britain? The decision was taken without waiting for the Treasury's review on bridge tolls. Such a debate would allow us to discuss what this will mean for the regeneration of the Humber bridge area.

Sir George Young: The hon. Lady will know that in a week's time that Minister will be at this Dispatch Box, ready, willing and able to answer questions about the Humber bridge toll.

James Morris (Halesowen and Rowley Regis) (Con): May we have a debate about unemployment and jobs growth? Yesterday's jobs figures showed a substantial increase in private sector jobs growth in the last quarter, which is of vital importance to my constituency, as it needs to get more, sustainable private sector jobs.

Sir George Young: My hon. Friend reminds the House of the very encouraging set of figures we saw yesterday, which showed that there were an extra 500,000 jobs in the private sector, more than counterbalancing any decline in the number of public sector jobs. Particularly good news was the decline in youth unemployment—that is now at a lower level than we inherited from the outgoing Government.

Mr Philip Hollobone (Kettering) (Con): Given that the demand for Adjournment debates in Westminster Hall regularly outstrips supply, could we have sittings in Westminster Hall on Monday afternoons and Thursday mornings?

Sir George Young: That is an ingenious suggestion. As my hon. Friend will know, the Procedure Committee is examining the calendar. His proposition would certainly be within the terms of reference and I am sure that he has given evidence along those lines.

Alun Cairns (Vale of Glamorgan) (Con): The Chancellor has talked about the need for a cultural change in banking regulation, given the failed system that was set up and led by the previous Administration. What plans does the Leader of the House have to allow a full debate on these issues, given that a White Paper has been published?

Sir George Young: That debate will be initiated in a few moments' time by my hon. Friend the Financial Secretary to the Treasury, who will make a statement. My hon. Friend the Member for Vale of Glamorgan (Alun Cairns) is right to say that we need to reform the financial services regime, which manifestly failed, if the City is to continue to be a centre of wealth, enterprise and encouraging employment. I hope that he will remain in his place for a few minutes longer, so that he can get a more authoritative reply from the Financial Secretary.

Harriett Baldwin (West Worcestershire) (Con): As this is carers week, may we have a debate on the support for carers? I understand that the chief executive of Carers UK has welcomed the fact that the carer's allowance will remain non-means-tested outside the universal credit. In that debate, we could discuss the extensive additional support that the Government are putting into respite care for carers.

Sir George Young: My hon. Friend rightly reminds us that this is carers week. Tomorrow, I will be at the Princess Royal Trust for Carers' Andover branch, praising

those carers, who save this country a huge sum. My hon. Friend is also right to say that we have found additional resources for respite care for parents of disabled children and also for others via the NHS. We have also ring-fenced the carer's allowance, so that it is not subsumed within universal credit.

Robert Halfon (Harlow) (Con): Will the Leader of the House find time for a debate on harsh practice by the Royal Bank of Scotland? Louisa Allen is the latest of my constituents to be treated very toughly by RBS, which is risking an unnecessary court case and threatening her with bankruptcy even though she has the funds to pay for a reasonable settlement. Will my right hon. Friend speak to the chairman of RBS to see what can be done?

Sir George Young: I will certainly convey what my hon. Friend has just said to the chairman of RBS. My hon. Friend will know that under Project Merlin a clear commitment was given to increase bank lending. Although the banks are on target to hit the overall figure of some £190 billion, they are falling a bit behind on the small and medium-sized enterprises side of things. We made it clear that we reserve the right to return to the issue and take further measures should that be necessary. Not only will I pursue the matter with RBS, but the Financial Secretary has heard the question.

Bob Blackman (Harrow East) (Con): Can my right hon. Friend find time for a debate on energy policy and the performance of the regulator? Like my constituents, I am fed up to the back teeth of a situation where the retail price of gas increases when the wholesale price does, but never comes down when the wholesale price drops. We clearly need urgent action on this because it is combating our work on our inflation targets.

Sir George Young: I understand my hon. Friend's concern that retail prices go up faster than they come down. Hon. Members will have an opportunity to question Ministers from the Department of Energy and Climate Change on 7 July, so this question can be raised then. I know that this is concerning many hon. Members as we read about fuel prices increasing. We have introduced a number of measures to help, including the green deal, which is going through the House.

Mr Mark Spencer (Sherwood) (Con): The community of Ollerton has for a number of years been seeking to redevelop its former miners' welfare building. The project is being held up by the siting of a communications mast, which is the property of a company called Cornerstone, a subsidiary of Vodafone. Will the Leader of the House find time for a debate to discuss the power of communications companies to hold communities to ransom over projects such as this?

Sir George Young: I would be misleading my hon. Friend if I said that I could find time for such a debate, but it does sound to be a worthwhile subject for an Adjournment debate. I am sure that other Members of Parliament have similar concerns to those that he has outlined. I will draw his concerns to the attention of the Minister with responsibility for planning and Ministers at the Department for Culture, Media and Sport.

Andrew Bridgen (North West Leicestershire) (Con): May we have a debate on the progress being made by the Government on the essential rebalancing of, and restoring of health to, our economy? Will my right hon. Friend ensure that Ministers have time in that debate to address the warnings issued last night by the Governor of the Bank of England that changing the mix of tight fiscal and loose monetary policy would "make little sense"?

Sir George Young: I entirely endorse what my hon. Friend has said and, indeed, what the Governor of the Bank of England said last night, which makes it all the more extraordinary that we heard a speech this morning demanding yet further tax cuts that are wholly underfunded.

Andrew Stephenson (Pendle) (Con): Will the Leader of the House grant us a debate on the Independent Commission on Banking report and the specific proposal for more competition in the retail banking sector, so that healthy competition can be a powerful defender of the interest of consumers?

Sir George Young: As I said to one of my colleagues a few moments ago, there will be an opportunity after the Financial Secretary has made a statement for questions about our proposals to maintain the City of London as a thriving centre of enterprise that concentrates on serving its customers. There will be an opportunity to question the Financial Secretary on the ICB's proposals.

Brandon Lewis (Great Yarmouth) (Con): Will my right hon. Friend find time for an urgent debate on trade union reform laws, in order to give this House a chance to discuss the appalling way in which unions such as the Public and Commercial Services Union are threatening this country with strike action? That is happening even though that union had a turnout of only just over 32% in its ballot.

Sir George Young: Indeed, under 20% of that union's members actually voted for industrial action. So far, we have had a good record on days lost through industrial action—the level has been one of the lowest. As of now, we have no plans to reform trade union legislation, but if we see a wave of irresponsible strikes, we would want to re-examine this again very carefully.

Regulatory and Banking Reform

1.18 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): With permission, Mr Deputy Speaker, I should like to make a statement.

It is now well known that the tripartite system set up by the last Government failed spectacularly in its mission to maintain stability. The decision to divide responsibility for assessing systemic financial risks between three institutions meant that, in reality, no one took responsibility. The crisis dramatically exposed that flaw and cost the taxpayer a vast amount of money. We cannot allow another crisis such as the one we have just witnessed. Shortly after taking office, this Government set in train a consultation on reforming our system of financial regulation. Today, after two extensive rounds of consultation, I am presenting to the House a White Paper, including draft legislation, setting out the blueprint for a completely new system of regulation. Let me summarise the main proposals.

A permanent Financial Policy Committee will be established within the Bank of England. Its job will be to monitor overall risks in the financial system, to identify bubbles as they develop, to spot dangerous inter-connections and to stop excessive levels of leverage before it is too late. It has already started operating on an interim basis and is having its first formal meeting today. Subject to legislative process, the permanent body will be in place by the end of next year.

We will abolish the Financial Services Authority in its current form and transfer its significant prudential functions to a new Prudential Regulatory Authority that will sit in the Bank of England. The Prudential Regulatory Authority will focus on microprudential regulation and will bring judgment to the vital task of regulating the soundness of individual firms that manage risk on their balance sheet, particularly banks and insurance companies. We recognise, of course, that such firms engage in very different businesses, which is why we are proposing to provide the PRA with a specific statutory objective for its insurance responsibilities.

We are also bringing in a new approach to protecting consumers. A financial conduct authority will oversee the conduct of financial services firms, the operation of markets and the protection of consumers, with new powers to ban the sale of toxic products. I can confirm that as an integral part of its mission to secure better outcomes for consumers and investors, the authority will also have a new duty to promote competition. Judgment, discretion and proactive intervention will be the hallmark of our new regulators.

We are bringing forward the draft Bill for pre-legislative scrutiny, for which a Joint Committee of both Houses will shortly be convened. We are seeking valuable input from Members on both sides of the House as it is in all our interests to get this right.

Last week, we also established under Sir John Vickers an Independent Commission on Banking to resolve the debate about the structure of the banking sector in the UK. I am sure that the whole House will join me in paying tribute to Sir John and his fellow commissioners for the excellent job they are doing. The commission's interim report made two particularly important proposals: bail-in, not bail-out, so that private investors, not taxpayers, bear the losses when things go wrong; and a ring fence around better capitalised high street banks to make them safer and protect their vital services to the economy if things go wrong. I can confirm that the Government agree in principle with both proposals.

Of course, we will await the commission's final report, but I can tell the House that any reforms will need to meet the following principles: all banks should be allowed to fail safely without affecting vital banking services, without imposing costs on the taxpayer, through reforms that are applicable across our whole banking industry and in a manner consistent with EU and international law. I can also confirm today that we welcome the commission's recommendations on increasing competition in retail banking and we are working closely with it to achieve this aim.

We are also taking the first steps towards normalising the Government's involvement in the financial sector. One legacy of the crisis is that today's taxpayers have a direct interest in several banks through large-scale guarantees and shareholdings. We do not believe the Government should be a long-term investor in financial institutions. It will take some time—possibly several years—before we can make a complete exit from our investments in the banks, but today I can confirm the start of that process.

On the advice of UK Financial Investments, we have decided to launch a sale process for Northern Rock. This follows extensive work over the past three months to consider potential options for returning Northern Rock to the private sector while generating the best possible taxpayer value. The sale process will be open and transparent and in line with state aid rules. I have already written to the chair of the all-party group on building societies and financial mutuals, my hon. Friend the Member for Cardiff North (Jonathan Evans), to reassure him that any interested parties can bid for it, including mutuals. This reaffirms the Government's commitment actively to promote the mutuals sector. That does not mean that other options to return Northern Rock to the private sector have been ruled out, but I believe that at this point in time a sale process is the most promising.

I also want to make the House aware that following an application by the Bank of England to the High Court today, Southsea Mortgage and Investment Company Ltd, a very small bank, has been placed into the bank insolvency procedure. That follows a decision by the FSA that Southsea no longer satisfied its threshold conditions for operating as a deposit taker. The Financial Services Compensation Scheme has been triggered and eligible depositors with balances up to the limit of £85,000 are safeguarded. Eligible depositors with amounts in excess of the insured limit of £85,000 may be entitled to receive a share of their savings above this limit as part of the insolvency process.

Finally, I want to update the House on the ongoing negotiations on international financial regulation. When I was in Brussels yesterday, my message was clear. We must learn the lessons of the crisis and create the foundations for stable and sustainable economic growth without fragmenting global markets. That is why global standards are in our national interest. Much of the debate has focused on the implementation of Basel III and we have been busy making the case for implementing it in full right around the world, including here in

Europe. Last week's International Monetary Fund assessment supported our arguments for minimum standards here in the EU, with discretion for national authorities to increase them where necessary.

When the coalition Government came into office, questions were being asked about the future of banking and regulation but they had not been answered. It has been our job to resolve them. Our goal should be a new settlement between our financial system and the British people; a new settlement where the banks support the people, instead of the people bailing out the banks. The statement today sets out the progress we have made towards building this new settlement and the actions we are taking to complete it and I commend the statement to the House.

Chris Leslie (Nottingham East) (Lab/Co-op): What utter contempt the Government are showing to Parliament by announcing these major proposals first to the bankers in the City yesterday and only today to elected representatives. Time and time again, Ministers give policy speeches outside this place and the House of Commons is merely an afterthought. Why is the Chancellor not here to make these announcements today?

That total disregard for the democratic process is reflected in the draft legislation, which hands vast new powers over the lives of all our constituents to the unelected Bank of England and leaves a gaping accountability deficit, with no mention of parliamentary accountability in all its 408 pages. Why are Ministers still so sketchy about the detail of these new powers for the Bank of England, with nothing on the face of the Bill, and is it true that there may be no further clarity on the toolkit for the Financial Policy Committee until next year?

Why is there still no clarity about the crisis management memorandum? Why have the Government not yet published the consolidated Financial Services and Markets Act 2000 draft for Parliament to see? Why is there no clarity about where consumer credit regulation will fit into this alphabet spaghetti of new quangos? Why are they still fumbling around with the composition of the Financial Policy Committee? Why have they failed to negotiate the flexibility needed from the European Union and the European banking regulators to ensure that all these new UK structures are allowed discretion to use the macro-prudential tools in the first place?

There will be significant concern, especially in the Portsmouth area, about the news on the Southsea mortgage bank—Southsea is perhaps a name that resonates in other ways—but we will need to watch developments closely.

Although there are clear inadequacies in the proposals published today, we will consider them carefully, and there are areas where we agree with the Government. The Chancellor is right that this was not a financial crisis made in Britain. It was caused by a failure in the banking industry in every major financial centre and a global failure in banking regulation. Families and businesses worldwide have paid a heavy price for the irresponsible actions of the banks, but Governments and regulators failed to see this coming and we in the Opposition must accept our part in that. Thankfully, however, we ignored the advice of the Chancellor, who called for lighter regulation and opposed the previous Labour Government's decisions to step in to prevent financial catastrophe by nationalising Northern Rock and Royal Bank of Scotland and by cutting VAT to get the recovery moving.

Today's announcement vindicates the rescue measures taken by my right hon. Friends at the time and shows that taxpayers always had a good chance of recouping the lion's share of the sums involved. But on Northern Rock, can the Minister explain the haste in the sale? We hope he is not playing politics and rushing for a fire sale when a measured approach to maximising value and diversifying the banking system would be better. Why has the Treasury failed to consider mutualising Northern Rock and is the Minister really content to see it return to business as usual as yet another plc without exploring the benefits that a new building society might bring?

There are three tests by which the Chancellor and the Minister should be judged. First, are taxpayers and bank customers adequately protected from future bail-outs by the so-called firewalls in the bank structures? How can the Chancellor say he agrees with the conclusions of the Vickers Banking Commission before it has even published its final report?

Secondly, has the Minister secured sufficient international agreement on regulation and bank restructuring to secure a workable system protecting jobs here in Britain? Sadly, the Treasury has already shown a woeful lack of leadership internationally on pay transparency and bankers' bonuses, which, by the way, should be taxed to pay for jobs and businesses here at home.

Thirdly, will we end up with a banking system that delivers the goods for our economy as a whole? Are small businesses getting the bank loans they need and why is Project Merlin already unravelling with confusion between the Department for Business, Innovation and Skills and the Treasury over so-called "stretch" targets, or capacity targets, how they are going to be enforced and whether the banks are really participating wholeheartedly? We need a diverse banking system, which should include a strong mutual sector—something that was promised in the coalition agreement but that the Government seem uninterested in delivering. We need clear and comprehensible regulatory structures with far clearer lines of accountability, and we need a Government who put customers, taxpayers and the real economy first.

Mr Hoban: That response clearly demonstrated the emptiness of the Opposition's thoughts on these matters. They have had a year to consider whether these reforms are in the interests of strengthening financial regulation and whether they will strengthen the banking system, but here they are today, a year later, with no idea on the best way to proceed. That is not surprising given that the shadow Chancellor was a champion of light-touch regulation when he was the City Minister and he presented that argument not just in London but across the world. It is time for the Opposition to make their mind up: are they prepared to acknowledge the mistakes of the past and accept the tougher regulatory regime we have proposed, or are they going to cling to the legacy and wreckage of the previous Government's financial regulation system?

Let me deal with one or two of the points that the hon. Gentleman raised. It has been clear from the outset that one of the roles of the interim Financial Policy Committee, which is meeting formally for the first time this afternoon, is to provide advice to the

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Treasury on the macro-prudential tools that it believes would be appropriate for the FPC. Until the interim FPC has concluded its work it is very difficult to give the House information on that, but what we are doing in the Bill is making sure there is a process in place to ensure there is consultation and that there is discussion in the House. Those tools will not be given to the Bank until we have gone through a legislative process in this place.

The hon. Gentleman raised the issue of Northern Rock. As someone who was born and brought up the north-east, I understand his concern and the importance of Northern Rock to the regional economy. We have, as part of our review, considered remutualisation and our financial adviser Deutsche Bank is reporting to UK Financial Investments on Northern Rock. The advice is to proceed in the first instance with a sale option and the option of remutualisation has been explored with Co-operatives UK and the Building Societies Association, which commissioned the report by Professor Michie. The final decision will be judged against such other options as an initial public offering or a stand-alone remutualisation, but I remind the Opposition that it is important to secure taxpayers' interests, as we have invested £1.4 billion in Northern Rock.

On the Independent Commission on Banking, we have indicated that we would support the proposal, but we have said that we want to see the final proposal that Sir John Vickers makes. We have dealt with an issue that the previous Government failed to tackle. They closed down the topic of whether there were some structural issues in the UK banking sector that put taxpayers at risk. They were not prepared to confront that debate, but this Government have been prepared to do that and to take some serious and difficult decisions on that matter.

On the issue of bank lending, it is all very well the hon. Gentleman preaching, but the previous Government did not in any way attempt to get the big banks together to talk about increasing lending to small businesses. As the banking sector and the economy deleverage, it is important that those businesses seeking finance have that opportunity. That is why we secured commitments from the banks, and they are held to account on the published targets that were announced earlier this year. The package of measures we have announced demonstrates the progress we are making towards a new settlement on financial regulation and banking, and it is a pity that the Opposition are not prepared to face up to their responsibilities and take part in this debate.

Mr Peter Bone (Wellingborough) (Con): I thought that the shadow Minister let the Government off far too lightly regarding Parliament. This place should hear new policy from the Government first. Yesterday, this was published by the BBC first and was then announced at Mansion House. I am afraid that the Government have failed on this occasion. Will the Minister please publish the media grid?

Mr Hoban: I would just point out to my hon. Friend that last night the Chancellor did not read out the White Paper—the blueprint for reform that we have before us today. That is the centrepiece of today's announcement. We have engaged fully with Parliament on this and he will be aware that what we are doing is starting a process of pre-legislative scrutiny to ensure that Members across the House can take part in debate on this. Throughout this whole process, we have sought to keep Parliament informed of the actions we are taking and to ensure that Parliament has a chance to scrutinise the decisions that the Government have made.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Northern Rock is headquartered in my constituency and my predecessor MP, Jim Cousins, played an important role in saving the bank when the Conservative party had no understanding of the crisis and would have let it go to the wall. Could the Minister explain how the auction will be structured so as to promote Northern Rock's mutualisation, which he says he wishes to see? Could he also say what guarantees he will offer on the name, headquarters, jobs and community contribution of Northern Rock?

Mr Hoban: The hon. Lady raises some important points about how a potential bidder would seek to maintain employment in the north-east, how they would use the Northern Rock name and how the headquarters would be structured. That is a case that the bidders will need to make in putting together their bid. I would encourage all those who have an interest in bidding for Northern Rock to engage with the people of the north-east and present to them why they believe that their deal would secure the best future for Northern Rock and its employees.

Sajid Javid (Bromsgrove) (Con): Drawing on my 19 years as a banker—*[Interruption.]* I was far more popular then than I am now. Drawing on that experience, may I say that the Minister has rightly identified some deep structural problems with the UK banking system? Although over the coming weeks and months he will hear some howls of protest from certain sections of the UK banking community, may I reassure him that the principles he has outlined today will lead to a safer and more stable UK banking system?

Mr Hoban: I am grateful to my hon. Friend for his support. I am not quite sure at times which is the more popular profession, MP or banker, but he has experience of both. He is absolutely right that we need to stick to our course on this. There are some important issues that we need to tackle to make sure that the banking system is safer, to improve the regulatory structure and to ensure that the style of regulation is much more interventionist and proactive than in the past. That will doubtless cause some institutions some difficulty, but we have to recognise that it is in the long-term interests of the stability and sustainability of our economy for there to be better regulation of the banking sector and the financial services sector more broadly.

Mr Andrew Love (Edmonton) (Lab/Co-op): The Government set up the Independent Commission on Banking last year. The commission produced its interim findings in June and its final recommendations will not come out until September, but the Chancellor yesterday in his Mansion house speech and the Financial Secretary today in this Chamber have pre-empted two of those decisions, although it was made clear by the commission

that it had not reached its final conclusions. Do not the Government owe an apology to members of the commission of inquiry?

Mr Hoban: Is that it? I really did wonder. The hon. Gentleman has played an important role in the Treasury Committee in challenging both this Government and the previous Government and holding them to account on banking reform and I should have thought he would welcome the fact that we are taking action to strengthen regulation of the banking system and to make sure that our banks are more secure. It would have been great if he had supported those measures.

Mr Brian Binley (Northampton South) (Con): I welcome the Minister's statement, but may I remind him that the reorganisation of the regulators or, indeed, of the banking structure will do little to stimulate demand quickly? Mortgages were down 9% in April on the same period last year and other sectors are seriously under pressure. Will the Government think more seriously about stimulating demand?

Mr Hoban: My hon. Friend makes an important point and one reason why it was important to reach agreement with the banks on Project Merlin was to send a clear signal to businesses that there was credit available to viable businesses, as well as encouraging businesses to come forward to banks with applications for loans. Also important is the work that the British Bankers Association taskforce is doing to commission an independent survey to look at the relationship between banks and their customers. One concern is the amount of discouraged demand in the system and I believe that by looking very carefully at the relationship between banks and their customers, we can see whether banks are putting off businesses from making those applications.

Ian Mearns (Gateshead) (Lab): I listened with care to the Minister's statement, but he has not mentioned the Northern Rock Foundation, which has disbursed millions to deserving causes in the north-east over several years. That disbursement is about 1% of profits, yet Treasury officials told a reporter from Newcastle's *Evening Chronicle* this morning that the retention of the Northern Rock Foundation will not be a condition of sale. How will the big society survive in a region such as the north-east, let along thrive, without such a guarantee?

Mr Hoban: The hon. Gentleman raises an important point, and I am pleased that he gave prior notice during business questions. We all recognise, particularly those of us with strong roots in the north-east, the important work that the Northern Rock Foundation has done not only in the north-east, but in Cumbria. An agreement was reached that Northern Rock would continue to contribute 1% of its profits to the foundation between now and December 2012, but I am sure that any bidder looking for support from the north-east will think very clearly about the role that the foundation will play in future.

Mr Mike Hancock (Portsmouth South) (LD): Will the Secretary of State give an assurance to the House and to the country that the sell-off of Northern Rock will not proceed unless there is absolute certainty that every penny of taxpayers' money that was put into it will be recouped, plus interest, and that the proposed transformation of the banking system will begin to give people some trust in the system again?

Mr Hoban: My hon. Friend makes two important points. In the process of selling Northern Rock and returning it to the private sector, we are seeking to get the best possible deal for the taxpayer, given the investment we have put in so far. He is absolutely right that one of the challenges is to restore trust and confidence in the banking system, which has taken a blow in recent years for a range of reasons, including the mis-selling of payment protection insurance and the financial crisis itself. There is a big challenge for banks. The best way that they can establish trust and confidence is by demonstrating to the people of this country that they are doing what they should be doing, which is helping families and businesses realise their full potential by ensuring that credit is flowing to our businesses and that our constituents have opportunities to buy their own homes.

Mr Kevan Jones (North Durham) (Lab): The Minister, who knows the north-east very well, will be aware that when Northern Rock was a building society it was a highly respected institution, not only because of its prudent lending, but because it was the first choice for many small savers. Although he reaffirmed in his statement the Government's commitment to mutualisation, will he not be straight with the people of the north-east and say quite clearly that mutualisation is not an option and that Northern Rock will be privatised, as was spun out in the newspapers this morning?

Mr Hoban: As I said earlier, re-mutualisation is an option. The advice we have received is to proceed with the sale process, which could be to a proprietary business or another mutual. Once that process is under way, we will be able to compare that outcome with the other two possible outcomes, which are an initial public offering or a stand-alone re-mutualisation. I am keen that United Kingdom Financial Investments engages with this, as it has done already, to see whether that is a viable option.

David Rutley (Macclesfield) (Con): I welcome the Chancellor's move to put an end to the failed tripartite model. What steps will be put in place to enhance the working relationship between the Treasury and the Bank of England, given the Bank's enhanced role?

Mr Hoban: My hon. Friend makes an important point, and one that the hon. Member for Nottingham East (Chris Leslie) noted in his remarks. It is absolutely vital that the Bank has a good and robust relationship not only with the Treasury, but with this House. I think that we all agree that the relationship between the Treasury Committee and the Monetary Policy Committee, for example, is one of the most transparent between any central bank and any legislature across the world. We want similar standards of transparency and openness to apply in the relationship between the FPC and the House.

The White Paper sets out how the relationship between the Treasury and the Bank will be strengthened and how the Governor will meet the Chancellor to discuss the outcome of the financial stability review. We are also in the process of developing a crisis memorandum

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of understanding to ensure that the proper channels of communication are open between the Treasury and the Government. That is a much better set of arrangements that will ensure that the House is kept informed and that we can hold the Bank to account for its new responsibilities.

Mr Iain Wright (Hartlepool) (Lab): Is there not an inherent contradiction in Government policy? On the one hand there is stricter ring-fencing of banks' capital reserves, and on the other there are the Business Secretary's proposals, via Project Merlin, for banks to lend more to small businesses. Who will win this battle of economic policy—the Chancellor or the Business Secretary?

Mr Hoban: There is no dispute between the two. It is very clear that we need banks to hold more capital and, based on the work done at Basel III on the implementation of the higher level of capital, that should not restrict the amount of credit available. Yes, we need to see banks deleveraging and reducing the size of their balance sheets, but that should not be at the cost of businesses in our constituencies and across the country that need capital in order to grow and expand. Banks should be reducing their lending to each other, rather than reducing the exposure to businesses in this country.

Mrs Anne Main (St Albans) (Con): I welcome the Financial Conduct Authority if it genuinely gives consumers greater protection. Under the current regulations, a constituent of mine, Mr Joseph Choonos, was pressured into taking out a Barclays loan in the most inappropriate way by a course provider, which then dumped the course. Barclays is now pursuing him dreadfully for the loan, which he has no way of paying back. He has no way of having a good dialogue with Barclays. If the proposals help vulnerable consumers in any way, I will be truly grateful.

Mr Hoban: I cannot comment on the case my hon. Friend raises, but we have corresponded about it. We need to see better outcomes for consumers of retail financial services. As she may be aware, we are also consulting on the future regulation of consumer credit and will announce our response to the consultation proposals shortly. One of the challenges we face is the disjointed regulation of consumer financial services. Credit, in the situation she raises, is regulated by the Office of Fair Trading, and other aspects of financial services are currently regulated by the Financial Services Authority and, in future, the Financial Conduct Authority. Whatever body is the regulator, we need to see better outcomes for our consumers, which will help to restore the trust in regulation that we all recognise is so vital.

Stella Creasy (Walthamstow) (Lab/Co-op): Further to that point about the powers of the Financial Conduct Authority, will the Minister clarify whether it will have oversight of the consumer credit market, particularly the high-cost credit market, which is a source of concern for many Opposition Members? Perhaps he will take the opportunity to confirm whether the FCA's powers of intervention could include capping the total cost that lenders can charge for lending where it is detrimental to consumers so that we can deal with the toxicity of the legal loan shark market.

Mr Hoban: The hon. Lady will have an opportunity later this afternoon to quiz me on this in more detail as we are meeting to discuss it. She will recognise that credit, particular the high-cost credit to which she refers, is currently regulated by the OFT, not the FSA. We will announce shortly our response to the consultation on who should regulate consumer credit in future.

Joseph Johnson (Orpington) (Con): Many of my constituents depend on the existence of a thriving financial services industry in London. They are hard-working, responsible and diligent employees and not at all deserving of the opprobrium that is often heaped on people who work in the sector. Like Professor Willem Buiter of the London School of Economics, they are very much of the view that the financial crisis damaged London's prestige and international standing much more than it did other leading financial centres around the world. Does the Minister share that view?

Mr Hoban: The financial crisis clearly had an impact on London's standing as a global financial centre, but my hon. Friend will be pleased to note than in the most recent survey of global financial centres London still came top. That is a recognition of London's continued strength. It is important to ensure that we have a well-regulated and well-functioning financial services sector that can not only meet domestic demand, but serve the interests of an array of international companies. I believe that the package we have announced today, coupled with further regulatory changes being made in the European Union and internationally, will help to ensure London's continued pre-eminence as a centre for financial services.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Before the general election, the Chancellor and the Business Secretary were involved in a verbal fistfight about who was going to be toughest on the banks, so it is not surprising that neither is here today to make this business-as-usual statement. If the previous Government were charged with light-touch regulation, are not this Government guilty of light-touch reform?

Mr Hoban: The reforms we have set out are proportionate, and the recognition of the need to strengthen the banking sector through structural reform is a significant move. We, unlike many other economies, were exposed to a financial sector challenge of some scale, and it is right to respond to that. We have ensured a proper debate about those issues, which the Independent Commission on Banking has led, and the reforms announced in its interim report have been widely welcomed. That gets the balance right. It is not about being tough or about being light touch; it is about getting things right.

Steve Baker (Wycombe) (Con): Do the Government agree that the best form of regulation is exit from the market? Does the Financial Secretary agree with me and my hon. Friend the Member for South Northamptonshire (Andrea Leadsom) that there should be a primary duty on the regulator to promote competition?

Mr Hoban: My hon. Friend makes an important point about exit. One area on which we are all working, not just in the UK but elsewhere, is to ensure that, when

an institution fails, the matter can be resolved and that the resolution can take place without an impact on the taxpayer. That will help with competition and to tackle the broader issues, whereby taxpayers have to stand behind banks. We need to get that right.

On competition, we need to recognise that the role of regulation in financial services is quite broad. Some of it is about promoting competition, and some of it is about consumer protection when there are asymmetries of information. In the blueprint that we have published today, we see an acknowledgement of the role that competition will play, and that is why we have given the Financial Conduct Authority a primary duty to use competition in pursuit of its regulatory objectives. That gets the balance right between the different roles that the FCA has to play.

Keith Vaz (Leicester East) (Lab): In three weeks' time, 5 July marks the 20th anniversary of the closure of the Bank of Credit and Commerce International. The Minister on that day 20 years ago was a young accountant working for Price Waterhouse, the much-criticised auditors of BCCI. For 20 years, the bank has been in liquidation and for 20 years we have been asking for the publication of the confidential parts of the Bingham report, which, as the Financial Secretary will know, was the basis on which we had the system of regulation that he has just changed. Is he absolutely certain that the best way of dealing with these matters is to hand them back to the Bank of England? If he is, will he please do what the previous Government failed to do and ask the Chancellor to publish the confidential parts of the Bingham report?

Mr Hoban: I hear the right hon. Gentleman's request, and his right hon. Friend the Member for Edinburgh South West (Mr Darling) has made a similar request, to which he did not seem to accede when he was Chancellor of the Exchequer. The new regulatory regime does learn the lessons of the past, and the supervisory style and confused mandate of the FSA mean that we need to change.

The lesson that we have learned from the financial crisis is that, importantly, the Bank of England's expertise in market surveillance and in understanding macro-prudential trends can best work with the needs of a micro-prudential supervisor by ensuring that that micro-prudential supervisor is an independent subsidiary of the Bank. And, just so the right hon. Member for Leicester East (Keith Vaz) does not get the wrong impression, I did not work on the audit of BCCI.

Mark Garnier (Wyre Forest) (Con): My hon. Friend will know that the financial services industry in this country employs some 1 million people and generates £50 billion a year in tax revenues. Will he assure me that these proposals strike the right balance between protecting the consumer, whom the Financial Services Authority failed so much, and maintaining our leading position in the global financial marketplace?

Mr Hoban: My hon. Friend is absolutely right to highlight the numbers of people employed in financial services not just here in London, or in Edinburgh and Glasgow, which are well-known financial services centres, but throughout the country. We need to ensure that the industry continues to be a strong contributor to employment, to economic growth and to tax revenues, and to ensure a balance so that it does not pose an excessive risk to the strength of the UK economy. The measures that we have put forward today strike the right balance between encouraging the industry to continue to be a wealth and employment creator and ensuring that the right protections are in place for consumers, so that they buy the products that those companies sell. Those companies will not thrive unless there is consumer appetite for buying pensions, for investing in their futures, for taking out deposit accounts and for buying life insurance policies. We need to get that balance right between consumer interest and business interest, but businesses will be best served if consumers feel happy about buying products from them.

Toby Perkins (Chesterfield) (Lab): The Minister rightly says that a key part of the recovery of the banking sector's reputation is an increase in the public's confidence in the system, and he is putting a lot of power and confidence in the role of the Bank of England. What specific new powers will the Bank have to enable more public confidence in a safer banking system in future?

Mr Hoban: The Bank of England and the FSA published a couple of weeks ago a document setting out the new regulatory approach that the PRA will set. They were clear that, rather than waiting for a bubble to burst and for problems to emerge, they will intervene earlier to force firms to take action to correct problems, and that shift in style—from waiting for a problem to happen to trying to pre-empt its creation—is absolutely vital. We are reliant on the judgment and the discretion of the regulators in following through that new regulatory approach, but rather than waiting until it is all too late, as happened in so many different examples over the past 10 years, giving the regulator the power to intervene early will have a significant benefit on outcomes for our constituents.

Mr David Nuttall (Bury North) (Con): I welcome the Minister's statement. Does he agree that the best way to protect consumers is to have a fully functioning and competitive free market, and that the best way for the free market to work efficiently is, ultimately, for all companies, including banks, to be allowed to fail?

Mr Hoban: My hon. Friend makes an important point, which goes back to the point that my hon. Friend the Member for Wycombe (Steve Baker) made about exit from the financial system. That is why it is important that resolution tools are in place to enable firms to be wound up in an orderly fashion, rather than being reliant on taxpayers' money to keep them going.

Katy Clark (North Ayrshire and Arran) (Lab): The Minister is well aware that savers are getting a very low interest rate, while for those who try to borrow there are high interest rates and unattractive terms—not just for individuals but for businesses. That must be stifling the economic recovery. The banks are not meeting Project Merlin's targets, so should not the Government use regulation and their ownership of banks to address those issues?

Mr Hoban: The hon. Lady is absolutely right to say that it is important that banks lend to businesses. If the economy is to continue to recover and to pick up momentum, banks need to be able to lend. That is why

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we introduced the lending commitments under Project Merlin, and we will monitor them very carefully. We have said that we will not be afraid to use any tools at our disposal if those targets are not met.

Paul Uppal (Wolverhampton South West) (Con): Continuing the theme of competition, and being mindful that the Vickers report will be published in September, will the Minister assure the House or provide guidance on how any future framework will provide genuine competition? In the US, in particular, banks fail without adverse publicity or at any cost to the public purse because there is a larger proliferation of smaller banks, and that would swim against the tide of mega-super-banks, on which we have been over-reliant.

Mr Hoban: My hon. Friend makes an important point about diversity in the financial system. One of the points that the Governor of the Bank of England made in his Mansion House speech last night was about the need to reduce the barriers of entry to the banking system in order to encourage more competitors to come forward. That is an excellent way in which we can promote choice and competition and get a better outcome for consumers, whether individuals or businesses.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I, like many hon. Friends, believe the Government's decision to proceed so quickly with a sale process for Northern Rock shows that they are willing to miss a golden opportunity to learn the lessons of the financial crisis and diversify the UK banking sector. On remutualisation, will the Minister undertake to release all the advice he has received, information on all the meetings he has been to and all the rest of the paperwork, so that we can decide—Co-operative MPs such as myself, and other Members—whether remutualisation has been taken as seriously as it should have been?

Mr Hoban: The hon. Gentleman makes an important point. I reiterate what I said before. Yes, Northern Rock has been put up for sale. The purchaser could be a proprietary company or another mutual. An acquisition by another mutual could actually help strengthen the mutual sector. I have made it clear that as the sale process proceeds, we will compare the outcome with either an initial public offering or a stand-alone remutualisation. The challenge that those supporting a stand-alone remutualisation need to address is how we ensure that the taxpayer gets value for money from that.

Nigel Mills (Amber Valley) (Con): Although I warmly welcome the long-term direction that the Government are taking, may I press the Minister a little further on the short-term problem of the regulators' demands for banks to improve their balance sheets? That is leading to deleveraging, which is starving businesses of the funds that they need to provide the growth that we need. Is there any way in which we can force—or encourage, at least—the regulator to go against the cycle and, when times are tough, to be a little more relaxed and allow banks to lend more in these difficult situations?

Mr Hoban: My hon. Friend makes an important point. The Chancellor was very clear last night. Yes, we do want the banks to deleverage, but one way of doing that is to reduce their exposure to other banks and to the financial sector. That will give them the capacity within their capital, as they build up their capital levels, to continue to lend to small and medium-sized enterprises and larger corporates. That is one of the reasons why we set out to establish a commitment from the banks to lend up to £190 billion this year to businesses of all sizes, including £76 billion to SMEs. I think we have the right approach. We want a stronger, more sustainable banking system but we need one that will lend to small and larger businesses. Project Merlin helps us to achieve the right balance. We need the banks to deliver on that commitment.

Thomas Docherty (Dunfermline and West Fife) (Lab): Does the Minister now regret having voted against the saving of Northern Rock?

Mr Hoban: The challenge is to make sure that we tackle the legacy that we have been left and that we get the banking system back on a firm footing. What we have announced today is a process in which the Government will cease to be a long-term investor in the banking system. We would all agree that that is the right approach.

Angie Bray (Ealing Central and Acton) (Con): I welcome the reforms, particularly the separation of investment banking from retail banking. However, do we not still have the problem that some of our banks are literally too big to fail?

Mr Hoban: The package of proposals that the Independent Commission on Banking is developing is aimed at tackling that. It is one of the reasons why it proposed a retail ring-fence and increased capital so that the ring-fenced retail business will continue to be strong. But we need to make sure that we have the right resolution tools in place in the event of a bank failure. I commend the previous Government for their introduction of the special resolution regime, to which I referred in my statement in the context of Southsea Mortgage and Investment Company Ltd. We need to continue to work on tools that will help us resolve a bank failure without the taxpayer having to pick up the bill. That is the position that we ought to be in.

Mr Philip Hollobone (Kettering) (Con): My constituents in Kettering want to know that the household savings that they have deposited in their local high street bank are safe from financial speculation and that never again will large banking groups imperil the UK economy through unsustainable banking practices. How far does the Minister's statement today go to reassure my constituents?

Mr Hoban: My statement today has demonstrated the action that we have taken over the past year to create a more stable and sustainable banking system. That should give comfort to my hon. Friend's constituents in respect of the safety of their savings. Savers and depositors should be mindful of the limits on deposits imposed through the financial services compensation scheme, but the range of interventions that we are making, through this statement and further reforms,

will ensure that we have a safer, more sustainable banking sector in the future—one that does not impose a burden on the taxpayer, but makes sure that it continues to meet the needs of businesses and households across this country.

Harriett Baldwin (West Worcestershire) (Con): Does the Financial Secretary share my astonishment at the selective recollection of historical facts by Opposition Members? The run on Northern Rock started well over a year before the global financial crisis, and it was the first run on a bank in this country for more than 100 years. In rebuilding the stability of the financial system, will the Financial Secretary repeat for my constituents the reassurance that their deposits up to £85,000 are now effectively guaranteed by the Financial Services Compensation Scheme?

Mr Hoban: My hon. Friend makes two important points. The first is to recognise the role played by the Financial Services Compensation Scheme in protecting depositors up to that £85,000 limit. The other point is that there is collective amnesia among the Opposition about their role in the financial crisis. Yes, Northern Rock took place before the global financial crisis—and they were the champions of light-touch financial regulation and introduced the tripartite system of regulatory reform that was shown to fail during the crisis. The Opposition need to recognise their responsibility; until they do so, it will not be possible for them to move on.

Andrew Bridgen (North West Leicestershire) (Con): Does my hon. Friend agree with the recent report from the other place saying that the tripartite authorities

"failed to maintain financial stability and were found wanting in dealing with the crisis, in part because the roles of the three parties were not well enough defined and it was not clear who was in charge"?

Mr Hoban: My hon. Friend makes an absolutely vital point. The failure of the financial regulatory system put in place by the Labour party when in government was hard-wired into the system. It was destined to fail because of the failure to identify a clear match between the people who had the power and those who had the responsibilities for managing financial stability. My hon. Friend is absolutely right. The previous system was destined to fail. We have learned the lessons from that crisis; I am not sure that the Labour party has.

Bob Blackman (Harrow East) (Con): I welcome the statement and the announcements today. However, will my hon. Friend elucidate on the expected time frame for the setting up of the new regulatory bodies? There must be at least a risk that one or more bodies that are being abolished will take their eye off the ball while they are doing their work, and there will be a time frame before the new bodies are set up.

Mr Hoban: My hon. Friend makes an important point. We hope that the pre-legislative scrutiny of the Bill will start shortly. It is programmed to take 12 sitting weeks. We want to make sure that the legislation progresses through this House and the other place as quickly as possible and that it is properly scrutinised. We need to make sure that we do not make mistakes in haste that we repent of at leisure. It is also important to recognise that the FSA is starting to adopt the new style of supervision that we would like to see it exercise, and that should give us some comfort that the lessons have been learned and are now being put into practice.

Alun Cairns (Vale of Glamorgan) (Con): I welcome my hon. Friend's statement, which I am sure will go a long way towards reintroducing stability within the economy in general and the banking system. What reassurance can he give that the stability will apply to the banks as well as consumers, so that the banks can go on generating wealth? That will reduce the risk that banks' headquarters will leave the UK to establish elsewhere.

Mr Hoban: It is important that the UK should remain a global financial centre. We need to get the regulation and supervision in place that ensures that London can continue to prosper and grow and also that there is no wider threat to the economy and taxpayers.

Tamils (Deportation)

Application for emergency debate (Standing Order No. 24)

2.8 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I seek leave to move the Adjournment of the House to discuss a specific and important matter that should be given urgent consideration—the deportation by the UK Border Agency of my constituent Mr Jenach Gopinath back to Sri Lanka, whose Government are suspected of war crimes against Tamils, including the killing of 40,000 Tamil citizens.

Later today, a plane chartered by the UKBA will deport 40 asylum-seeking Commonwealth citizens of Tamil ethnicity back to Sri Lanka. One of the passengers is my constituent Mr Gopinath. I have just learned that another, Miss Tharmalingham, is also my constituent. Mr Gopinath was formerly employed by a leading Tamil MP, and in Sri Lanka he was arrested and detained by the authorities. He believes that he would be in danger if he returned there, as does Miss Tharmalingham. I have just learned that another passenger, Mr Najandarajah, hanged himself with his prison duvet last night, and is now in hospital; a passenger on an earlier flight did kill himself.

These people are desperate, and understandably so. A lawyer has told me that his client was tortured after he was deported. Luckily, the client escaped back to the UK. Amazingly, the UKBA tried to deport him again, but he was eventually allowed to stay on appeal. This week, Channel 4 screened a devastating documentary showing definitive evidence of war crimes and routine atrocities by Sri Lanka against Tamils, including video of summary executions. The UN has reported a wide range of serious violations of international humanitarian law. Forty thousand Tamils were killed; they were all Commonwealth citizens. Seventeen thousand are still held in camps, and even those who have got out are still under canvas as they are not allowed back to their homes. There is evidence of continuing abuse against Tamils, including torture and extra-judicial killings. The President of Sri Lanka, a probable war crimes suspect, has taken on enormous powers over the judiciary and policing.

The British Government are supposed to be one of the leading forces in the Commonwealth, yet they are not only turning a blind eye but sending plane-load after plane-load of Tamils back. They are taking no measures to monitor them, and Sri Lanka does not allow any journalists or independent observers. The people on these planes, such as Mr Gopinath, have identified themselves as Tamils and as being against the Sri Lankan Government. Britain is flying them on specially chartered flights; it is not as though they are arriving incognito. Even worse, UKBA has shared documents about these passengers with the Sri Lankan authorities. We might as well paint targets on their backs. To me, it is obvious that Tamils have a reason to fear for their safety in Sri Lanka; given the emergence of yet more evidence of atrocities, how could they be safe?

Mr Deputy Speaker, the British Parliament needs to say whether we want our country to continue with these deportations and to continue to have Tamil blood on our hands.

Mr Deputy Speaker (Mr Lindsay Hoyle): I have listened carefully to what the hon. Lady has said. I have to give my decision without stating any reasons. I am afraid that I do not consider that the matter she has raised is appropriate for discussion under Standing Order No. 24. I cannot therefore submit the application to the House.

Armed Forces Bill

Bill, as amended in the Committee, considered.
Third Reading

2.11 pm

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I beg to move, that the Bill be now read the Third time.

I have in front of me a four-hour speech because I did not quite manage to cover everything that the hon. Member for West Dunbartonshire (Gemma Doyle) and the shadow Defence Secretary raised with me two days ago.

As hon. Members will know, in essence, our purpose in this debate is to agree that the Bill has been scrutinised by the House and to wish it well as it moves to the other place. The Ministry of Defence does not often introduce legislation, so this is a task that very few Defence Ministers have the pleasure of performing. As is the custom, I should like to use this occasion to pay tribute to a number of people who have helped during this House's consideration of the Bill. Before I do so, I should like to discuss some weightier matters.

For the Ministry of Defence, the Bill represents an important step regarding the armed forces covenant. For the very first time, the armed forces covenant has been recognised in statute. Some 10 years ago, people did not talk about a military covenant; that is a relatively recent development. However, everybody, over centuries, has recognised what is meant when people refer to it. The Prime Minister said that the armed forces covenant would be recognised in law, and it will be so recognised through this Bill.

The Bill will have an enduring legacy. Under its provisions, annual reports on the covenant will be required. We are very serious about the covenant. It is not a political fad—something that will be allowed to wither away in a year or so as political fashions change—because the armed forces are far too important for that. We expect that Parliament will want to debate the issues that are highlighted in the report, and I certainly do not see any way in which anything will be covered up. It is right that Governments, of whatever political hue, should be held to account for the way in which they uphold the covenant.

We discussed the covenant at length during the Select Committee stage. Hon. Members have expressed differing views, as have people outside Parliament. The Government have listened to those views and tabled the amendments that were accepted on Tuesday.

Angus Robertson (Moray) (SNP): The Minister will be aware that many, if not most of the public services covered in the covenant are devolved. I am sure that he will join me in commending the work of Major-General David McDowall, the Scottish Government's expert adviser on veterans' affairs, for his efforts in this field. Will the Minister confirm that there has been correspondence between the First Minister and the Secretary of State for Defence to confirm the delivery of the covenant in Scotland?

Mr Robathan: I pay tribute to Major-General McDowall. Although I do not know him, I am sure that he does a very good job. I have of course met Alex Neil, as the hon. Gentleman will know. There has indeed been correspondence. That will not be a surprise to him, as he was in the House on Tuesday when I read out half the letter, but there we go.

The House has agreed that the amendments bring clarity about the principles that the Secretary of State must take into account in preparing his report. I was particularly pleased that they were accepted in all parts of the Committee on Tuesday without a Division, and that they have also been welcomed outside Parliament. The result is clause 2, which establishes the annual report as a route towards achieving real benefits for armed forces personnel, former members of the armed forces and their families.

As hon. Members will know, the Bill has been used to amend the legislation governing the reserve forces. This is an important change, because it will allow us to call out reservists for service in the United Kingdom in a wider range of circumstances than is permitted at present. For instance, we discussed on Tuesday the recent floods following snowfalls in Cumbria, where reservists would have been ideally placed—particularly medical reservists to deliver blood supplies. We also discussed the forthcoming Olympics. There are a huge number of occasions where we currently do not have the power to call out reservists, even should they volunteer.

Mark Lancaster (Milton Keynes North) (Con): Does my right hon. Friend agree that this is long overdue change, and that given the ongoing review of the reserve forces, it will make them much more relevant in years to come?

Mr Robathan: I do think it is overdue. It provides the opportunity to call people up in the same way that we can use the regular forces. It also fits in well with the reserve forces review, Future Reserves 2020, which we are undertaking to ensure that this country makes proper use of the reserves. The amendments that we made this week anticipate some of the changes that may be proposed in the review and that the study is likely to recommend when it is published later this year.

When we debated the amendments earlier this week, the hon. Member for West Dunbartonshire raised a point about the Reserve Forces (Safeguard of Employment) Act 1985. She rather threw me because I was not an expert on that Act, but I have now looked up the details, so I should like to take this opportunity to respond to her point. It concerned the Cabinet Office's red tape challenge, which is a welcome initiative to look at legislation and identify where it is no longer required. One area of legislation to be reviewed relates to employment law. I gather that on the website, under the heading, "Managing Staff", 127 pieces of legislation are listed for review. I congratulate her on having studied this website, or perhaps on having a very assiduous researcher who has done so for her. The list includes the 1985 Act, which appears at the top of the list only because that is how the list has been ordered, not because it is a particular target for rationalisation. Of course, we carry out reviews from time to time to ensure that our existing employment legislation is appropriate, and we will continue to do so. However, I can assure her that for the foreseeable future it is absolutely our intention that the protection that this Act provides for reservists and employers will continue to remain available.

Mr Mike Hancock (Portsmouth South) (LD): If the review that is being carried out into the reserve forces comes up with recommendations that would need to be written into the covenant, would it be possible to update it in the yearly report, or would the covenant, as now written, have to await the five-yearly report under the Bill?

Mr Robathan: The hon. Gentleman raises two points. First, should things change as a result of the reserve forces review that might give rise to something different, that would not necessarily be covered in the Bill as enacted but might require some other form of legislation. Secondly—I am delighted to see the coalition acting as one on this—we have argued all along that we want broad guidelines within the covenant report, not boxes to tick, so the Secretary of State can consider almost anything he likes when preparing his report. Furthermore, the external reference group, or anybody else, can raise whatever they like under the covenant report and our subsequent discussions about it.

To return to the protection of employment for reservists, the 1985 Act will apply to the amendment that we passed to widen the use of reserves in the UK and to all other current operations. I hope that the hon. Member for West Dunbartonshire will accept that assurance as a response to her earlier point, and I will not send her a letter if that is okay.

I think that this is a good Bill. It is the first Bill that I have taken through the House.

Mr Kevan Jones (North Durham) (Lab): And the last.

Mr Robathan: I might concur. I am proud to have served on the Select Committee that scrutinised the Bill and would like to thank my fellow Committee members, most of whom are here, for the serious and careful way in which they went about their work.

Mr Tobias Ellwood (Bournemouth East) (Con): Where are the Labour ones?

Mr Robathan: I will resist the cry from behind me to be partisan on this occasion, although I would not usually.

The Committee undertook visits to Chilwell, Headley Court and Colchester, which helped Committee members in their consideration of the Bill. I thank everybody who put themselves out to arrange those visits for us, both here and in those places.

I thank the Select Committee Chairman, my right hon. Friend the Member for North East Hampshire (Mr Arbuthnot), for his good humour and wise guidance and I thank the Committee staff for their work behind the scenes. There is a gap in my brief because my civil servants said that they could not possibly put in that I would like to thank them. I would like to thank the Ministry of Defence Bill team for the work that they have done on our behalf. Sometimes, they found things marginally fraught, but most of the time they just got on with doing their work in a good-natured way. One has to take tranquilisers if one works for me. *[Interruption.]* I thought I would get that in before anybody else. I still have not got the letter from the mayor of Bradford, by the way.

We have a good Bill, which has benefited from the scrutiny it has received. I believe that the Bill we send to the other place is in good order. Above all, it contains much that will benefit the many people who have served, do serve or will serve in our armed forces. I wish the Bill well in its remaining parliamentary stages, and I commend it to the House.

2.22 pm

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): The Minister has surprised me by giving a much shorter speech than I expected, considering his contribution on Tuesday.

Mr Robathan: I am awfully sorry, but I think we need to get it on the record that my speech on the group of amendments on Tuesday was shorter than the hon. Lady's.

Gemma Doyle: I think the Minister will find that I spoke for a shorter time than he did, but, on the basis that my speech was rather more engaging, I took a number of interventions. As such, my speech took up a greater amount of parliamentary time. I shall move on.

I very much welcome and support the Bill, just as I welcome all measures designed to improve welfare for the armed forces, their families and veterans. I appreciate the Minister's commitment to this issue. As has been said by the shadow Secretary of State for Defence, this Opposition will always act in the interests of what is right for our country and will always support the Government when they do the right thing by our forces. In this Bill and the amendments to it, the Government have made progress in the welfare of our armed forces and all service families. The Government have committed to stronger provisions to enshrine the covenant in law. As we have done throughout this process, we will work with Ministers whenever necessary to ensure that the path from rhetoric to reality is as smooth and fruitful as possible.

It is worth reminding ourselves that although the right decision has now been taken by the Government, they acted reluctantly, in the face of public pressure and following much denial from Government Members that any amendments were required. Indeed, on 10 February, at the first sitting of the Select Committee on the Armed Forces Bill, the Minister stated:

> "The covenant is a conceptual thing that will not be laid down in law."—[*Official Report, Select Committee on the Armed Forces Bill,* 10 February 2011; c. 21.]

He went on to say that it is a "conceptual, philosophical statement". I imagine he wishes that he could eat his words now. Although we support the Government, we will scrutinise and form judgments based on their actions and not their words, which have been proved in this process to sometimes be two different things.

Many provisions in the Bill concern the welfare, well-being and management of our service personnel. The previous Government had a strong record in this area, not just through the introduction of the Armed Forces Bill in 2006, but by ensuring that the forces' pay increases were among the highest in the public sector; investing in accommodation and rehabilitation facilities; increasing access to the NHS for dependants; and introducing the personnel Command Paper, the first ever cross-Government package of benefits.

The military covenant is the bond between the nation and our services. It says that the United Kingdom's commitment to its armed forces is made in recognition that a career in the armed forces differs from all others. The covenant recognises that service personnel agree to sacrifice certain civil liberties, to follow orders and to place themselves in harm's way in defence of others. In return, the United Kingdom shall help, support and reward our armed forces, their families and, of course, former serving personnel.

I am still somewhat new to this place—I am not sure how much longer I will get away with saying that—but I firmly believe that one of the most difficult decisions we are asked to make is to ask our service people to put themselves in harm's way for the protection of this country and to safeguard human rights around the world. I felt that responsibility strongly when we voted on 21 March on action in Libya. I know that Members who have been here longer than me have been even more greatly vexed about these issues in recent memory.

Upholding the covenant is now more important than ever. At a time of unprecedented cuts to the defence budget, when we have seen allowances and pensions cut and personnel made redundant in record numbers, and when there are warnings about the capacity of our forces to perform at the current tempo for 90 days longer, it is vital that all service people have the protection to which they are entitled. The principle that no member of the service community, including dependants, should suffer disadvantage arising from service and that special provision may sometimes be needed to reflect their sacrifices is vital. We support the introduction of that principle to the Bill.

It is important, however, that such principles apply to policy making and implementation in all public bodies to ensure that all action undertaken by public servants is in tune with our commitments to the armed forces. I am still concerned, therefore, that the Government amendments did not go as far as they could have gone. As the Bill stands, the Secretary of State must only "have regard" to the principles in

"preparing an annual armed forces covenant report".

That is a limited application of the principles, which we have all agreed are vital. Rather than applying across Government to all issues, the principles will apply to only those issues the Secretary of State deems fit to include in his report. There is, therefore, ministerial judgment about where the principles of the covenant apply, rather than an obligation on all public servants to take heed of them. I hope that the Minister appreciates the difference that I am pointing out.

I support the action that the Secretary of State is taking, and I believe in the Prime Minister's desire for a genuinely enshrined covenant, but I fear that we will not fully achieve that unless the principles of the covenant are given due regard in all aspects of public policy making. As the Minister knows, I tabled amendments at earlier stages to try to achieve that. I am sorry that we have not persuaded the Government to go quite as far as we would have done, but as you would imagine, Mr Deputy Speaker, we are delighted that the Minister has come as far as he has. Having stated in Committee, as I said, that the covenant would not be enshrined in law, he has now been forced to support amendments that ensure it will be.

When I asked the Minister on Tuesday what had changed his mind, he stated that he had engaged in a listening process. I have to say, we saw very little evidence of that in the Committee's debates or evidence sessions. I am sure that everyone would be grateful if, at some stage, he provided an explanation of his change of direction.

To ensure that the ambitions that we all hold for the covenant are realised, it is vital that there is sufficient accountability between members of the armed forces and the public servants charged with its implementation. I fear that the Government's proposed annual report, in which Ministers will report on what they deem fit to report on rather than being obliged to provide an update on all aspect of forces' welfare, may still be somewhat inadequate.

An annual debate in the House on the covenant is very welcome, but it should not be at the expense of real scrutiny. For the report to be meaningful, the Minister knows that I believe that there needs to be a greater number of fields on which Ministers are compelled to report. I have asked the Minister to explain why he has chosen only the three subjects that are specified in the Bill for inclusion in the report, but he has not yet given a rational explanation of why other welfare issues for which the Secretary of State is directly responsible are not included. The original intention behind the introduction of a covenant report was clearly to allow Ministers to say that they were enshrining the covenant in law, whereas their actions now demonstrate that they knew all along that that was not what they were doing. As such, the Minister will forgive me for being concerned that the Secretary of State will decide which issues to put into and leave out of his report.

My bigger worry is that without a duty on public bodies to give regard to the principles of the covenant, and without a responsibility on the Secretary of State to report on a wider set of concerns than is currently included in the Bill, there will not be a thorough examination of the possible issues of disadvantage that we have discussed, covering all relevant responsibilities of the Government.

On accountability, we welcome the Secretary of State's confirmation that the external reference group, which I understand may now have had a name change, will publish its comments on the annual report alongside the report itself, and that as such its terms of reference will be updated. It would therefore be useful if the Minister confirmed at the earliest opportunity that the change means that the group will now be a permanent body, charged with overseeing the implementation of all policies that relate to forces welfare. I also look forward to his advising us of when updated terms of reference will be ready, and whether they will be placed in the Library for Members to view.

For the enshrinement of the covenant principles to be genuinely meaningful, there must be a proper system whereby service people can report on whether those principles are being upheld. All would agree that the Bill must be about people's lives, not simply about securing the safe passage of legislation. When asked in a recent parliamentary question who was the legal arbiter of any complaints by service people about the principles of the covenant, the Under-Secretary of State for Defence, the hon. Member for Mid Worcestershire (Peter Luff), stated that the chain of command or the

[Gemma Doyle]

Service Complaints Commissioner was responsible. That is surprising, because in her annual report last year the commissioner said the existing complaints mechanism was a

"most ineffective system. It causes extreme delay and fails to deliver justice. It also leads to inconsistencies."

The very arbiter whom the Government recommend that armed forces use to determine whether the covenant is being upheld says that the system is not good enough.

This is not about creating new rights, it is about the accountability of those charged with upholding the principles that the Government are enshrining in the Bill. The commissioner recommended that an armed forces ombudsman be introduced, and I would be interested to hear what consideration was given to that recommendation. As the Minister did not support amendments earlier in the week regarding the creation of an ombudsman to oversee these issues, I am anxious to find out what measures will be introduced to ensure that our forces have the opportunity to make their own judgments.

Mr Robathan: I just wish gently to point out to the hon. Lady, apropos our altercation at the beginning of her speech, that she has now spoken for rather longer than me on Third Reading as well.

Gemma Doyle: I am not really sure that that was a substantive intervention, so I will carry on.

The three fields specified in the Bill as being covered by the annual covenant report are devolved, so Scottish and Welsh armed forces or veterans are potentially excluded from any recommendations at all to be made in the report. We need clarification of whether the report will apply to all UK forces and what the devolved implications of the Bill are. On Tuesday, the Minister produced a letter from the First Minister of Scotland. I do not doubt the First Minister's intentions with regard to this matter, but I know that the Minister will be shocked to hear that the First Minister does not always do exactly what he says he will. I therefore look forward to the Minister confirming his own view of what the devolved implications of the Bill are.

There was some confusion in Committee on Tuesday about the Government's position on the reserve forces' employment rights. I very much welcome the Minister's commitment, which he reiterated today. Indeed, I congratulate him on standing up to the Secretary of State for Defence, who refused to give such a commitment just a matter of weeks ago. However, it would be welcome if the Minister confirmed what discussions he has had with the Cabinet Office to ensure that all his colleagues are on the same page.

As I said initially, the Opposition will judge the Government on the military covenant on their actions and not on their words. One of the Government's first major acts since their U-turn on the military covenant is their decision to abolish the Chief Coroner's Office. The Royal British Legion has called that "a betrayal" of armed forces families that "threatens the Military Covenant." That very neatly demonstrates the need for accountability and the need for the principles of the covenant to apply to all Government policy.

The Bill would not have prevented that decision, and nor does it provide for servicemen and women who feel disadvantaged as a result to seek redress. The Minister said earlier this week that he could not speak for the Secretary of State for Justice, but I am asking the Minister to speak to him—I urge him to persuade the Secretary of State for Justice to do the right thing for service families. However, the Minister should also look at this carefully as an example of why the Bill does not go as far as it could, or indeed should.

In conclusion, the principles of the military covenant ensure that we do our bit for the men and women of our armed forces who serve this country and their families. I welcome the Bill, which has been much improved since we started out. I am delighted that the Government have come so far on this issue, and I look forward to pushing them a little further forward at the earliest opportunity.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. May I just remind hon. Members that we have only two hours—the Bill must be done and dusted by 4.11 pm?

2.36 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I am grateful, Mr Deputy Speaker. You can be sure that my remarks will be brief.

I must confess to three interests. First, I am a medical officer in the Royal Naval Reserve. Secondly, I am a potential beneficiary of the naval medical compassionate fund, which is in clause 27—"potential" because one must decease before benefiting. Thirdly, I have a non-pecuniary interest in my book, which was published today, by happy chance, on the military covenant.

I am pleased to support the Bill, which has gone a long way. There are two authorities in this field that we should not upset: one is the Royal British Legion and the other is Joanna Lumley. Consecutive Governments understand the truth of that. It is quite something when the Royal British Legion writes to MPs, as it did on 9 June, to say that the Bill represents an historic agreement. Notwithstanding the reservations that it has expressed as the Bill has gone through the Commons, it is clearly of the view now that the Bill represents a positive measure that will materially benefit the welfare of the men and women to whom we owe so very much.

I should like briefly to address the subject of the chief coroner. I have an interest, in that Mr Masters has sat in Trowbridge in my constituency, and I have visited his court and discussed the matter of military inquests with him at some length. I gently point out to the Opposition that both Mr Masters and Mr Walker in Oxford have done a wonderful job over the past several years in highlighting the plight of men and women in the armed forces and in standing up for the families of those who have sadly deceased. It is not clear to me that an office of the chief coroner would have added to that process. Indeed, I would go further: there is every prospect that such an official could be more biddable than local coroners because he is more central.

The big thing that has stood out over the years from those inquests is their independence and their willingness to find out what is happening on the ground. I pay tribute to both those two gentlemen.

Mr Kevan Jones: I agree with the hon. Gentleman and pay tribute to those two individuals. However, he does not understand that the chief coroner's role is to drive up standards across the country. Following pressure from the hon. Gentleman when he was in opposition, we rightly allowed military inquests to move away from where the body arrives back in the UK and inquests can now be heard at other coroners courts. The important thing about the chief coroner is that his role would be to ensure that the high standards kept by the two coroners of whom the hon. Gentleman speaks are consistently applied throughout the country.

Dr Murrison: I hear what the hon. Gentleman says, but I would say to him that we now have several years' experience of a local model with two excellent coroners who have not held back when they have felt it necessary to criticise the Government. That is absolutely appropriate. I understand that Labour Members bear the scars on their backs from these two gentlemen, but that is precisely as it should be. I have to say that I have been very impressed with how Mr Masters in particular has conducted his business and has got to grips with the reality of front-line service.

At the heart of the military covenant lies the concept of "no disadvantage", which I am pleased has informed much of this debate. "No disadvantage" is played out on two levels: first, no disadvantage in access to public services, which can be easily understood by those of us who represent large numbers of servicemen and women. We have seen it in the disadvantage that service children have been put to when they move around frequently. I am pleased, therefore, that the Government have introduced, as part of the pupil premium, a sum that will, in some small way, mitigate the disadvantage they suffer. We see it also in servicemen and women being bumped off NHS waiting lists and having difficulties accessing dentists.

Secondly, at another level—perhaps a more fundamental level—we have the concept of "no disadvantage" in relation to those who have suffered greatly, physically and mentally, as a result of their military service. It is surely the mark of a civilised society that, when men and women who have contributed so much to that society are injured physically or mentally, we do everything in our power to mitigate the disadvantage that they suffer. I believe that that is what is in Ministers' minds with the concept of special provision, which has been introduced under amendments to the Bill, and which we discussed on Tuesday.

It is vital that men and women who give so much of their mental and physical health are restored to health so far as is reasonably practicable. I have been impressed recently while touring limb centres, and particularly Headley Court, by the importance of ensuring that that care is ongoing. The Minister can be certain that as this matter returns to Parliament annually the ongoing care of those who have suffered mentally and physically will be brought up time and again. I am very concerned that as the tempo of operations reduces, and as the battle rhythm declines over the years leading up to 2015, the prominence of military matters and our military personnel will decline. Throughout our history, that has always been what happens after the war fighting stops. Indeed, Rudyard Kipling's sardonic poem "Tommy" highlights that very well. We need to bear in mind Tommy Atkins and his plight, and I believe we need to think about that as we plan how to keep this issue in the public mind and, by extension, the minds of politicians.

The annual report has come in for criticism. Some think it is flute music, that it has no substance. I think it is vital, and I commend Ministers for introducing it as part of this Bill. I am also delighted that the Government have listened so well to external bodies that have impressed on Ministers the need to ensure that those who feed into that annual report are heard properly, and that the report, when it comes to Parliament, properly reflects their views and input. In a year or so, we will have the opportunity of seeing this process in action, and I confidently expect the House to have every opportunity to debate the military covenant again and in depth. I suspect that the Minister knows full well that if this looks like being a superficial exercise, he will come in for a great deal of criticism. However, I confidently expect that in a year or so, we will be able to commend him once again for this measure of his to which we are going to give a fair wind today.

There are those who say that the Bill does not go far enough. There are also those who say that we should be more didactic in what we write into the Bill. They are simply wrong. We have support from an unlikely source, in the Archbishops Council, which will of course reflect the views of the unlikely guest editor of the *New Statesman* magazine. He is not a gentleman who is necessarily known to be a supporter of the coalition Government, yet the Archbishops Council is quite clear that the military covenant exists in the moral realm. It is not contractual, and it is not statutory.

There is a risk, however, that pressure from Europe could codify a military covenant. There is something called Synchronised Armed Forces Europe—which is known by the rather misleading acronym SAFE—which seeks to impose a European soldiers statute that would codify the covenant. I urge Ministers strongly to resist such a thing.

I do not intend to detain the House any longer, as a number of colleagues wish to speak. I congratulate Ministers on bringing forward this measure. The Government have taken the Armed Forces Bill—a Bill that, as something of a constitutional anomaly, we take through this House every five years, with the exception of the Armed Forces Act 2006, which dealt in depth with service discipline—and really added substance to it. This is a truly historic Armed Forces Bill that will do much for the men and women to whom we owe so much, and will honour the covenant that we all have with them.

2.46 pm

Mr Mike Hancock (Portsmouth South) (LD): I would like first to offer the hon. Member for West Dunbartonshire (Gemma Doyle), who spoke for the Opposition, and the Minister the opportunity to join the reserve forces, because if their combative skills in this place are anything to go by, they would both be welcome in whichever element of the service—

Mr Robathan: I am too old.

Mr Hancock: One is never too old to give service to one's country.

[Mr Mike Hancock]

I join the hon. Member for South West Wiltshire (Dr Murrison) in paying tribute to the two coroners who have dealt with military deaths up to now. I have assisted families who have been through that process, and they have always been very complimentary about the way the coroners have acted, the way they were treated by the court and the way the coroners—they believe rightly—tackled the very controversial issues that had resulted in the deaths of their loved ones. I have yet to meet or hear from anyone who is seriously dissatisfied with the behaviour of those coroners, both of whom rightly deserve to be congratulated and thanked on behalf of this House and all the families who have been through that process.

There are those Members who would like more written into the Bill than the three points in the covenant, but really the list is endless. The three issues identified were those that have been raised most consistently, but that is not to say that the others will be ignored. One benefit of having a yearly review and a report to this House is to give all players—those inside and outside the armed forces, whether former or serving members, and other groups representing them—the opportunity to put into play their points of view. Therefore, not writing things into the Bill is not as relevant as some would want to think. I happen to believe that Members from all parts of the House who have worked as Ministers in the Ministry of Defence have tried to put the armed forces at the forefront of their endeavours to be fair.

I also criticise those who do not believe that the covenant is a contract. It is a contract: a contract between the British people, through this House, and the armed forces. Those who have criticised the idea that the covenant is not a written contract are mistaken. At a time when the armed forces have never been held in greater esteem, the people of this country believe that we have a duty not only to honour the covenant, but to make it work for those inside or outside the forces. The idea in the Bill of giving greater independence when complaints are made and dealt with is to be welcomed. However, I am slightly dismayed that we have not done more to introduce a proper ID card for veterans, to give them the same status that veterans have in other countries. I am grateful that the Minister and the Secretary of State have at different times conceded that further consideration will be given to that matter. We need to be sure that we honour our pledge to provide these services through the covenant and through the Bill, wherever they are asked for around the country. It should be irrelevant where the person lives at the time.

The Bill has a number of attractions for people in the armed forces, but it does not really satisfy those who have an interest in the way in which reservists who go on active service are treated when they return. The Select Committee on Defence has taken evidence recently on the way in which returning reserve service personnel are treated—by the health service or by employers, for example. The situation is unsatisfactory in that there is still a sense of exclusion. Returning reservists are not given enough support, for example, when they have problems with their employers.

We need to build into the review of armed forces legislation over the next five years, and into the covenant itself, greater support for reservists who are having trouble. It is often difficult for someone returning to the United Kingdom after serving abroad for six months to deal with problems arising from their employment. Where do they get the help and support that they genuinely need? In some parts of the country, it is very difficult to get that sort of assistance, and we must look at that.

Bob Stewart (Beckenham) (Con): What sort of help is available for a Territorial Army reservist when he has problems with his job? How can the Government help, given that a commercial arrangement is involved?

Mr Hancock: I think that the military legal services ought to be made available to them. The hon. Gentleman has a distinguished record of service in the armed forces, and I believe that the same facilities that would have been offered to him, should he have encountered difficulties during his military career, such as medical or legal advice, should be forthcoming to others. I want those facilities to be offered to individual reservists on their return to the United Kingdom, and I hope that the Ministry of Defence will consider that matter seriously.

On behalf of my hon. Friends on the Liberal Democrat Benches, I should like to say how delighted I am that the coalition has been able to deliver on its promise to armed forces personnel and their families that the covenant would be written into legislation and therefore deemed to be part of the law of the land. People can now have great confidence that the armed forces, if not the national health service, are safe in the hands of the coalition.

2.52 pm

Patrick Mercer (Newark) (Con): It is always a pleasure to follow the hon. Member for Portsmouth South (Mr Hancock), who speaks so clearly on this subject. I shall be brief, but I should like to make one or two points. There can be few more solemn moments in the Chamber than when the names of the dead are read out at Prime Minister's questions on a Wednesday. This is now happening practically every week. I therefore find it interesting that, despite the statements of support and grave interest in our armed forces, our debate on the very thing that supports them—namely, the military covenant—has been scheduled for a Thursday afternoon. There are very few Members present—disgracefully few on the Opposition Benches—and there is a larky atmosphere with people trying to get out of this place as quickly as they can. That is a discredit to the men and women who serve us, and to the subject that we are debating today.

I am pleased to see so many hon. and gallant Members and former comrades in arms around me, however. I should like to pay tribute to the excellent speech made by my hon. and gallant Friend the Member for South West Wiltshire (Dr Murrison). It was a highly intelligent speech, but I disagree with him on one subject. He used the very moving terms "battle rhythm" and "tempo of operations" aspirationally, saying that he hoped that both of those things would decline. It is worth bearing in mind that in April, 1st Battalion The Rifles deployed to Helmand province, and that, 131 years ago, its predecessor, the 66th of Foot, also deployed to Helmand. That was exactly the same area and exactly the same regiment facing exactly the same tribesmen, and with a

similar political backdrop. In four hours, 994 men were killed in the battle of Maiwand, which now falls within the area of responsibility of the 1st Battalion The Rifles—what a coincidence.

I do not think that the tempo of operations or battle rhythm is going to decrease at all. As the fighting operations in Afghanistan and Pakistan decline, I have every confidence—I say this with no pleasure—that other operations will come up that will require our fighting men and women to be deployed in other parts of the world and that the military covenant will be just as important then as it is now.

Despite my earlier rather churlish comments, I am delighted that this Government have chosen to put these measures in a place where they can be properly recognised. I think it crucial to support the morale not just of the fighting men and women but of their families by assuring them that things are being done for them. My hon. and gallant Friend the Member for Beckenham (Bob Stewart), who I know is going to speak later, used to command the Cheshire Regiment. *[Interruption.]* I gather that he is not going to speak later, which will be a great disadvantage to the whole House, I am sure. When he and I were serving, I know that we felt that no differentiation was made at all, as no particular support or advantage was given specifically to soldiers, sailors or airmen and their families. I thus rejoice in the fact that health care, schooling, taxation and other individual items are to be put on a more sensible basis for those who serve to protect us.

I ask the Minister to think carefully about how the military covenant—ill defined as it necessarily and properly is—might evolve and develop, and about whether we can learn anything, particularly from our American cousins.

There is one thing that completely defeats me. As a former commanding officer, I knew that I had only one thing to hand by which I could financially advantage those under my command. In those days, it was called the commanding officer's discretionary fund. Over the years, that fund has gone up and I understand that it is has recently been about £60 a head. Forgive me for teaching the House to suck eggs, Mr Deputy Speaker, but this is simply a fund of money given to commanding officers—be they commanding mobile bath units or a battalion of the guards—to spend as they see fit on those under their command without any further reference to higher authority. It is an extremely important fund. It has been spent recently on preparing homecoming parades; it has helped with regimental funerals; it has provided people with excellent opportunities for training; and it has allowed people to enjoy themselves a little and to get some quality time.

Modest though it is, this discretionary fund is extremely important, yet it has been cut, which I do not understand. This fund is immediate, important and goes right to the heart of the military covenant. I appreciate that in the overall scheme of things it is not a big sum of money and I appreciate that it is not a large issue overall, but to the men and women inside the units, it is crucial. I deplore the fact that it has been cut, because that stands on its head the logic and the propriety of everything else that has been done through the military covenant.

I will spare the House any more of my rhetoric. I am grateful for the opportunity to have made these points and I am grateful to this Government for what they have done. I hope to see the military covenant evolving and improving, and I have absolutely no doubt that the Minister will now think carefully about the commanding officer's discretionary fund—and I am sure that he will restore it.

2.59 pm

Mrs Helen Grant (Maidstone and The Weald) (Con): In this, my first year as a Member of Parliament, it has been a revelation and a reassurance to know that so many colleagues throughout the House have served in our armed forces, and I am even more surprised and steeled by the number who continue to serve as reservists. Their front-line experience is priceless in these thorny and precarious times. I do not share their direct experience of the ways of modern warfare, but I certainly see the landscape from a different plane. I am the mother of a teenage son who is training to become a Royal Marine commando, and my constituency is home to 36 Engineer Regiment and the Queen's Gurkha Engineers. The health and well-being of our armed forces is therefore very close to my heart.

I do not intend to make a long speech, but I want to say a little about clause 2, about the military covenant, and, in particular, about how the covenant can help our military families. Isolation is a significant issue for military families when their loved ones are away, and in my constituency some Army mums have set up a local support group called Troopers Mums. Those inspirational women support themselves as well as the servicemen and women of whom they are so proud. They say that one of the most important factors for families dealing with isolation and worry is the existence of a support network of like-minded, empathetic people who are undergoing the same fears and anxieties. Sometimes it can be as simple as knowing, just from a look, when someone needs a cup of tea and a chat. Those women rely on each other in moments of need, and in many cases a problem shared is truly a problem halved. Troopers Mums are not asking for help; they simply want to be able to help themselves.

I know from my own research that other good support groups exist, but their functioning seems to be fragmented, unconnected and sporadic. Perhaps we can explore how we might develop and support a more uniform and accessible network across the country. When I use the word "support" I do not refer to state finance, state interference or yet another layer of state bureaucracy, and I echo the sentiments of one of the mums who said that she would not want a single penny to be diverted from the front line, but I think that with Government endorsement and some sponsorship from the private sector, we could assist families in a real and tangible way by helping them to set up and operate networks of their own.

The second point that I want to make about the military covenant concerns our nation as a whole. The covenant is a commitment between the Government, our service personnel, families and the nation. What worries me is that even if we enshrine the Government's part of the bargain in legislation, things can still go badly wrong if our nation does not buy in. In conversation with my Troopers Mums, I heard of many instances in which a little kindness and understanding could have gone a long way, especially in the workplace. One mum told me that she had not been allowed time off to attend

[Mrs Helen Grant]

her son's medal ceremony because she had already been given time off to attend his graduation some years earlier. Another told me that when her son was severely injured while serving in Afghanistan, she began to struggle at work. The response from her superiors was that she should "pull herself together."

Closer to home, here in Westminster, I recently attended an armed forces dinner. I sat next to a man who had served in Iraq and had been awarded the Conspicuous Gallantry Cross, which is one down from the Victoria Cross. He had also served in Afghanistan, where his gallantry had earned him the Military Cross. I asked him about his Army life, and we talked of many things. He mentioned his home on an Army base, where he lives with his wife, who will soon turn 50. They cannot close the windows properly in their house because the double glazing framework has blown out. Their kitchen is made up of badly fitting, ill-matching units which are dysfunctional and look a complete shambles. They are sometimes embarrassed to ask people to supper because of the state of their accommodation.

Warrant Officer Mick Flynn is one of Britain's most highly decorated soldiers. He is one of our heroes. He has given his entire working life to his country, and he is justly proud of his career. He does not complain, and he asks for little. I think that, as we debate the military covenant, the House will agree that we should support the rhetoric with practical action, such as ensuring that someone goes round to Mr and Mrs Flynn's house to sort out their windows, fix the kitchen, and restore a little dignity to their home.

Bob Stewart: They will now.

Mrs Grant: Good. That will give some tangible meaning to the term "military covenant".

There is a positive side, however. I heard a story of a uniformed serviceman boarding a civil jet to return to the UK and the other passengers giving him a spontaneous round of applause as he took his seat. That is a great example of attitude, awareness and respect, and perhaps we should do much more of that kind of thing unreservedly. In order for the covenant to work, society must also modify.

I am very proud to support the Bill. I hope it will help to maintain public awareness of the sacrifices made by our military personnel and their families every single day.

5.5 pm

Andrew Percy (Brigg and Goole) (Con): It is a pleasure to be called to contribute to this debate. I welcome the Bill's provisions, especially the enshrining of the military covenant into law.

I have not been able to contribute to earlier debates on the Bill, nor do I have any military service as distinguished and gallant as that of some Members who have spoken. My only experience of military service was going to Leconfield base when I was about eight or nine with my father, when he was in the Territorial Army in east Yorkshire. That is as far as my direct interaction with the military goes. However, my constituency, and east Yorkshire and north Lincolnshire in general, is a major recruiting ground for our military. Consequently, a number of veterans in my constituency and across the area regularly contact me on military matters, as do the families of serving personnel. This subject is of great local interest, therefore.

The constituency also has a long and proud history of supporting our military and playing an important role in military operations. Only last week, I attended a ceremony in Goole to mark the anniversary of D-day, and the Mulberry harbour was, of course, constructed in Goole, so the military is never far from the minds of the people of Brigg and Goole. I have also been working with a number of charities in my local area, not least the National Gulf Veterans and Families Association. The Minister knows of my interest in it, as he recently met me at the Ministry of Defence to discuss its work. I know it will welcome the military covenant provisions.

I may not have any direct military service history, but a month or so ago I spent some time with the armed forces scheme in the Falkland Islands, which was incredibly enlightening as it gave those of us without that experience the opportunity to engage with service personnel in all three branches of the military. I was staggered to hear how poorly some of them feel they are both treated and prepared for leaving the military. I was especially shocked to learn that many of them find that it is a problem for them to wear their uniform when they return to the UK. In fact, some of them highlighted that they had been verbally assaulted for wearing their uniform. That demonstrates that we have to ensure that more respect is shown to our military by the general public, and there is no better way of leading on that than by enshrining the military covenant in law.

When talking to those soldiers, sailors and airmen in the Falklands, I was most interested by what they planned and wanted to do on leaving the military. As a former teacher who takes a close interest in educational issues, I was struck by the fact that in the past there has been insufficient support for those leaving the military, and I certainly hope the covenant will address that. I particularly welcome the Government's announcements on independent learning funds for those in the military and greater support for those leaving the military. I hope we hear more about that in the coming months and years.

We have heard a lot about the Joanna Lumley test. In my constituency, I apply the Mavis Vines test. She is a constituent of mine who worked for 25 years in Berlin for the British military before returning to Goole, and who now continually, and quite rightly, pressures me on the issue of how our veterans and serving personnel are treated, especially as her son has just returned from Afghanistan. One issue that she continuously presses me on—quite rightly—is housing. In 10 years as a local councillor, I saw the pressures relating to housing. We are all aware of those, but housing is never far from the minds of those who serve in our military and are transients, to say the least, when serving. Consequently, I hope that enshrining the military covenant and the annual report on the covenant in law will address some of the pressures and challenges that service personnel face.

I needed no more evidence of how a great deal remains to be done on our treatment of our military, but I received some when a constituent came to see me a couple of weeks ago. His son is a ground crew man who

is working as part of Operation Ellamy in Italy. My constituent informed me, against the wishes of his son, that service personnel were continuing to be served rotten food and that they had insufficient computers to make contact with their families back home. This relates back to a point made by my hon. Friend the Member for Maidstone and The Weald (Mrs Grant) about isolation. When these people are on active service overseas, that isolation is not helped if there are not enough computers, mobile phones or communication routes back to their loved ones back home. Although progress has been made since this Government came to power, a great deal more clearly can and should be done to support people on active service overseas.

I do not want to detain the House for too long, but I do want to express my support for the Bill. The Government are right to enshrine the covenant in law. I heard the words of the hon. Member for West Dunbartonshire (Gemma Doyle) and I will resist asking why these things were not done previously. The Labour Government did have a number of years in which they could have enshrined the covenant in law. I hope that we can proceed in a cross-party way on this issue. There remains much to be done to support our military, but the amendments that have been made to enshrine the covenant are the right ones. I am sure that hon. Members from all parts of this House will support the Bill, as I will, and I conclude by wishing our service personnel all the very best.

3.12 pm

Jack Lopresti (Filton and Bradley Stoke) (Con): I would like to start my contribution by putting on the record just how much I enjoyed serving on the Armed Forces Bill Committee. Not only was that a great honour for me, but it was very interesting and, at times, fun, as others have said. It was my first Public Bill Committee and it would have been my first choice in terms of subject. I am sure that one of the reasons why I was asked to serve on it was because of my military background, although I can assure the House that my military experience is very modest.

I am sure hon. Members are aware that I am a serving reservist. I am currently a trooper in the ranks with the Royal Gloucestershire Hussars, as part of the Royal Wessex Yeomanry. Previously, I was a gunner with 266 Commando Battery in Bristol and was attached to 29 Commando on Operation Herrick 9. Because of injury—I snapped my collar bone—and the general election interrupting my military service, and despite my best efforts, I have not been able to join the friends I served with last time who are in Afghanistan, on Operation Herrick 14, as part of 3 Commando Brigade. That has made me feel guilty from time to time, and it leads to some days when I am a bit out of sorts because I am here when they are out there doing the business and doing a great job. While they are out there serving our country, if I have been able to serve on this Committee and make a small contribution that will in the end improve the lives of servicemen and women, veterans and their families, at least I will have done my bit in some way. I hope the rest of my friends' deployment goes very well and they all come back safely.

On occasion, the Committee has been more partisan than I would have liked. However, that has mainly been on the detail and emphasis, rather than the principle of doing the best that we can for our troops, veterans and their families—in principle, there is complete agreement on that. I am glad that there is broad agreement across the House and the party political divide on this final version of the Bill.

I want to pay tribute to all my colleagues on the Committee, with whom I have really enjoyed working, especially my new friend the hon. Member for North Durham (Mr Jones), who is, I know, very passionate about the armed forces and did some fantastic work in the previous Government, when he was a Minister. *[Laughter.]* Sorry, I could not resist.

We all recognise that the most important and prominent duty of any Government is the defence of the realm and the protection of our people. I believe the whole House is also in agreement that it is of equal importance that all Governments value the contributions and sacrifices that our servicemen and women make in carrying out that most crucial task. The welfare of our nation's servicemen and women is rightfully at the top of the political agenda and the Government have moved swiftly to ensure that any lapses in the commitment between Government and our armed forces are rectified.

In the Bill, we have a piece of legislation of historic importance to our nation and to our armed forces. The commitment has existed since the inception of the nation state—from the times when the ancient Romans gave land to their veterans to provide them with a livelihood to 1593 when Elizabeth I recognised the country's responsibility to wounded veterans—and the passing of the Bill, in this House, proves our firm and now unbreakable commitment to our service personnel, veterans and their families.

Most significant will be the statutory duty on the Secretary of State to report annually to Parliament on the effects of service in our armed forces and on the welfare of serving and former members of the armed forces and of their families. That provision will ensure that the armed forces covenant that the Government are rebuilding will be advanced year on year. Each report will have to set out how the Government are supporting our armed forces, their families and veterans in key areas such as health care, housing and education.

For the first time in the history of our nation, the Bill will give statutory recognition to the armed forces covenant and provide a mechanism for ensuring that it is addressed by Ministers and Parliament. As I have mentioned, in Committee there was broad agreement, at least on the key principles that underpin the armed forces covenant. To me, those principles are that when our armed forces personnel on operations in Afghanistan and elsewhere face paying the ultimate price in the protection of our country, its citizens and our freedoms and way of life, we should only ask them to do so in the knowledge that they are properly equipped for the task, that they will be trained to the highest level and that when they retire or should they be injured, wounded or indeed killed, they and their families will be provided for in recognition of and admiration for the sacrifices that they have made.

The covenant between the state and the men and women we ask to defend it is rightfully a long-standing tradition and commitment and its continuation and development is more important than ever before. That is why I, too, welcome the amendments tabled in the name of the Secretary of State for Defence, which were

[Jack Lopresti]

accepted by the House. Those amendments have been welcomed by Chris Simpkins, the director general of the Royal British Legion, who said:

"I firmly believe that we now have a much better Bill, which is not just fit for purpose, but also embodies the 'historic agreement' and covenant principles".

The way in which the covenant was reflected in legislation was debated in great detail in Committee, and we can all be proud of what has come out of those deliberations.

This Bill is recognition of a duty that precedes even this place, the mother of all Parliaments, and that is the duty of care, protection and equality for those who are asked to defend our country. This is a proud moment for this Parliament, which will enshrine that covenant in law for the first time.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Economic Regeneration (Barnsley)

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

3.18 pm

Dan Jarvis (Barnsley Central) (Lab): It gives me great pleasure to secure today's debate on an issue that is extremely important for Barnsley and for the whole country.

The cuts and changes to welfare pursued by this Government are hitting the most vulnerable parts of the country the hardest, and Barnsley is on the front line. More than 25% of our jobs are in the public sector, one of the highest rates in the country. The loss of many of these jobs will take tens of millions of pounds out of the local economy just as benefit changes start to bite. We have taken huge strides to overcome the stagnation and decline that hit us the last time the Conservatives were in power, but these cuts have the potential to push us back years.

The legitimacy of the Government's programme depends on its fairness. Before they go further down the road they have embarked on, they have a duty—an obligation—to stop and think about the effect it will have on places such as Barnsley. That does not mean that we reject reform to our public finances or to our public services, but the deficit needs to be tackled in a way that corresponds to sensible economic policy, not to the demands of ideology. Welfare needs to be reformed in a way that does not kick the genuinely vulnerable in the teeth. The question is how far and how fast the cuts and changes are made and what is done to make the process a transition, rather than a reckless abandonment of our communities and a gamble with our economic future.

First and foremost, places like Barnsley need targeted support to help drive development and employment—a coherent, responsible regional development strategy that has the resources to succeed. That does not mean giving unsustainable handouts. What is holding Barnsley back is not the fundamentals—we have the location, the work force and the will to thrive—what we need is the investment to overcome the entirely man-made barriers to our progress.

Michael Dugher (Barnsley East) (Lab): I thank my hon. Friend for giving way and for securing this important debate. Does he agree that there is proof that the area still has something very significant to offer in ASOS's announcement last year of 1,100 new jobs for Barnsley, specifically in Grimethorpe in my constituency? Is it not the case that those jobs and that investment came about because of decisions made by previous Governments to ensure that we had in place infrastructure such as the facilities, warehouses and roads to attract such firms, and that we need a real partnership with government?

Dan Jarvis: I thank my hon. Friend for that constructive and useful intervention. I believe that the ASOS model provides a useful example of how the Barnsley development agency, working with the metropolitan borough council, can aggressively seek to target other industries and businesses. The ASOS model is a useful one that we need to learn lessons from and employ in future.

As I have said, what we need is the investment to overcome the entirely man-made barriers to our progress. Without that, as my colleague the shadow Business Secretary recently said,

"the government's belief that the retreat of the state is automatically matched by the expansion of the private sectors is going to be tested to destruction."

The Government have dispensed with the strategic investment fund, with grants for business investment and with regional development agencies. The new regional growth fund has only a third of the money that was available under RDAs. I accept that RDAs were not without their failings, but the local enterprise partnerships that have replaced them are short on funding and short on power.

Bob Stewart (Beckenham) (Con): Does the hon. Gentleman honestly think that any Government Member or anyone in this country wants to cut jobs just for the sake of it for some reason of politics? The fact is that jobs have had to go because we just cannot afford them any longer and we cannot just plough money into the public sector all the time.

Dan Jarvis: I thank the hon. Gentleman for his intervention. I do not believe that Government Members think of these issues in such ways but this is a matter of policy. Barnsley is the kind of place that will go into a recession first and come out of it last and I believe that when the Government are making significant cuts to public services that will have an impact on jobs and livelihoods across Barnsley, they have a duty and an obligation to pause and consider the effect that those cuts will have on the people in Barnsley.

Where public sector cuts are made and jobs in the public service are lost, I do not believe that it is a given that the private sector will come in and fill the void. That should not be a natural assumption. In order to promote the kinds of conditions that allow the private sector to invest in places such as Barnsley, there needs to be a targeted programme of investment and development. I do not believe that the policies that the Government are putting in place will do that, but I thank the hon. Gentleman, as ever, for his useful intervention.

The LEPs, which have replaced RDAs, are short on funding and short on power. They are not even guaranteed the money for their own start-up costs, never mind for investment to support business. They will have to apply to the regional growth fund, whose first round of funding is already 10 times oversubscribed, and they have been denied access to cash from the European regional development fund, which is being centralised at the desk of a Whitehall bureaucrat. Perhaps the Minister can explain how that fits with the Government's supposed localism agenda.

I believe that we can and must do better than that. First, we can strengthen the LEPs and make them much better able to co-ordinate and lead a strategic approach to regional development. Among other things, that means giving them access to the ERDF and allowing them to join together to secure investment for cross-regional projects. It means giving them a stronger, more formal role in the development of local economic growth plans. It means removing or reducing the £1 million threshold for RGF bids so that smaller companies can apply and LEPs can work with them to bring in the investment projects needed to spur growth. Will the Minister consider these changes?

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I am pleased to say that small businesses can participate in the RGF. The £1 million programme for the second phase will allow small and medium-sized enterprises to participate, and in the first phase we saw that they were able to participate in Merseyside and Plymouth, so I am happy to give the hon. Gentleman that assurance.

Dan Jarvis: I am grateful to the Minister for that assurance.

One area where LEPs have real influence is the creation of enterprise zones. I commend the Government on the proposal being put forward by my local LEP, but I hope that the Government will not penalise proposals from several LEPs, including my own, for enterprise zones that are spread across several sites. The Government must be ready to listen to LEPs where there is a clear rationale based on the complexity of the local economy and the real needs of businesses. The uncertainty on this question reflects the over-simplistic and unclear nature of the criteria for enterprise zone site selection. Will the Minister ensure that those problems are rectified as a matter of urgency so that the work of LEPs such as mine is not inhibited by a lack of flexibility?

In any case, enterprise zones are a limited tool. They can offer reduced business rates, fast planning and fast internet, but a far greater concern of entrepreneurs in Barnsley is the lack of skilled workers. I will talk about the shortcomings of the Government's skills policy in a moment, but given that the skills problem is one of the biggest barriers to private sector growth, would it not make sense to mandate the LEPs to oversee a locally adapted skills strategy, in partnership with businesses and local authorities? At the very least, we should take up the suggestion made by the Centre for Cities that enterprise zones should include special support for training and skills development.

For Barnsley, another vital issue, of which I know the Minister is aware, is the Government's position on transferring the assets of the regional development agencies to LEPs or to local authorities. Those assets were built up by the RDAs with the specific aim of supporting local development, and in many cases they are critical to projects for transforming our local economies. That is the case in Barnsley, where the keystone Barnsley Markets project has been premised on the use of land belonging to the RDA. That is not some bureaucratic black hole; it is the future of Barnsley as a town—a project that is ready and waiting to move forward, and exactly the practical purpose for which the asset was originally acquired.

In total, the future of some £500 million in RDA land and property assets throughout the country is in doubt. I firmly believe that local authorities or LEPs should be given the first say on the use of those assets, and that is not just a Labour view; it is one echoed throughout the House. I am greatly concerned that the Government may be contemplating a fire sale at reduced prices, which would bolster central coffers at the expense of regional development and be deeply short-sighted. Will

[Dan Jarvis]

the Minister reassure the House that this will not happen, and will he allow LEPs to use the assets as they were meant to be used?

An active LEP is important, but it is not enough on its own, and the recent figures on bank lending bear out what I hear in person from businesses in my constituency. The problem is especially severe for small and medium-sized enterprises, exactly the sort of businesses that are most important for driving job growth. Research shows that South Yorkshire has one of the highest concentrations of SMEs with high growth potential anywhere in the UK. Keep that in mind, Madam Deputy Speaker, if anyone ever tells you that Barnsley does not have untapped potential.

There is, however, a steady stream of reports that SMEs are being held back by the lack of credit, even when the business case is sound. I was glad to hear that the Business Secretary did not rule out more action down the line if targets continue to be missed; I was not so glad when he told me that banks miss their targets more by choice than by chance. That is not acceptable for businesses in Barnsley or anywhere else in the country.

What plans do the Government have to ensure that banks meet their small-business lending targets? At what point do the Government take firmer action on the two state-owned banks? Would they accept the banks meeting their lending targets but failing to meet their small-business lending targets? What will Ministers do if the banks continue to claim that the demand is not there? It is a claim that many small businesses contest. Is the Minister going to wait to the end of the year to do more than lecture the banks if they are at fault? And what will happen next year if the Project Merlin agreement has not delivered? The Government have admitted that the lack of lending still threatens the entire recovery, but that problem needs to be resolved now.

The market is the foundation of our economy, but the Government have to play a role in helping it develop in a way that matches our strengths and builds the society that we want. If Barnsley is to thrive, it must be at the cutting edge of high-tech, high-value manufacturing and of the new digital and green economies. Instead, the Government are axing the zero-carbon homes initiative, which was helping to develop the next generation of British manufacturing. What are they going to do to support the development of the new economy that we need?

Mr Prisk: On the zero-carbon homes initiative, in fact we have completed that definition, we have published it, and we intend to implement it.

Dan Jarvis: I am grateful to the Minister for that confirmation.

Part of the effort is developing the infrastructure that is needed to bring growth anywhere outside the south-east—especially high-speed rail. The plan that Labour put together in office will bring Leeds within 80 minutes of London, and that could have a major positive impact in Barnsley. However, it is not yet clear that the Government are serious about bringing high-speed rail to the areas that most need it. If they were, why has the Secretary of State for Transport so far declined to include the northern branches of the planned Y-shaped network in the transport Bill? Will the Minister reassure the House that that will change, and will the Government reconsider the scale of their cuts to rail transport generally, which threaten a repeat of the under-investment of the previous Conservative Government and fare rises that threaten to put rail travel out of reach for the less well off?

Better transport will particularly help another sector with great potential in Barnsley—tourism. Indeed, that sector has been a key driver of job creation across the country. As the Government say, in the current economic climate those performances make the tourism sector a particularly important part of the UK economy. Barnsley is a great town with a proud history. When I look around the metropolitan borough at places such as the Elsecar Heritage Centre in the constituency of my hon. Friend the Member for Barnsley East (Michael Dugher), Cannon Hall and Wentworth castle in the constituency of my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith), and the new town hall museum project in the heart of my constituency, I see enormous potential for tourism in Barnsley.

I am glad that the Government's tourism strategy acknowledges the need for some Government help when market failures mean that tourism is not properly promoted. But they should also consider providing some support for places that have a clear tourism potential but are not yet established destinations. I am thinking especially of areas particularly in need of growth, such as Barnsley. Will the Minister outline how the Government plan to help us achieve our tourism goals?

I believe that the most fundamental barrier to aspiration and economic development in Barnsley is a lack of skills. I recently spoke to a major employer and asked him the three most important factors to consider when relocating or setting up a business. His reply was simple: "Skills, skills and skills."

Michael Dugher: I am grateful to my hon. Friend for giving way again; he is typically generous. He rightly identified the issue of skills and he is right that we need to lift the level of skills in Barnsley if we are going to attract the jobs of the future. Does he agree that certain Government policies such as the scrapping of the education maintenance allowance and the trebling of tuition fees will make that harder, not easier?

Dan Jarvis: I am grateful to my hon. Friend for those useful points. The Government's decision to abandon EMA, treble tuition fees and remove the Barnsley-inspired future jobs fund provide a triple whammy for the hard-working people of Barnsley seeking to secure employment. I ask the Government to consider the impact of those decisions on places such as Barnsley.

The Government's strategy on skills leaves a lot to be desired. I am glad that they plan to build on Labour's investment in apprenticeships, but despite the urgent problem of youth unemployment, 16 to 18-year-olds will not be able to access a single one of the extra places that they are funding.

Angela Smith (Penistone and Stocksbridge) (Lab): With your forbearance, Madam Deputy Speaker, I should like to place on the record the delight of the House in the MBE awarded to my hon. Friend in the Queen's birthday honours last week.

Is it not the case that significant numbers of young people want to leave school at age 16 and do not want to engage in full-time education, but would benefit from a mix of work and training that is typically represented by a good, solid apprenticeship? Is it not a fundamental mistake to deny young people that opportunity, especially given that it develops the work habit from the very earliest point of entry into adult life?

Dan Jarvis: I am very grateful to my hon. Friend for her kind remarks and for the useful and constructive contribution she has made to this debate. I completely agree about apprenticeships. They are a vital pathway for young people, bridging the gap between the classroom and the world of work. I am proud of the work that the Labour Government did in increasing the number of apprenticeship places. I hope to work constructively with Members across the House to persuade businesses across the country, not only in Barnsley and South Yorkshire, to take on more apprenticeships. An apprenticeship is a valuable opportunity for young people that gives them vital experience of the world of work.

The Government have axed Train to Gain, which provided work-based training to 575,000 people in 2009-10. They have also scrapped fees remission for people over 25 who are doing level 2 and level 3 courses. That is partly why the Minister for Further Education, Skills and Lifelong Learning has had to admit that adult apprentices may have to borrow up to £9,000 to fund their training.

Nigel Adams (Selby and Ainsty) (Con): The hon. Gentleman is making a great case for Barnsley, which is a very proud town. I appreciate that he has not been in the House for all that long since his magnificent victory a few months ago, but it probably has not escaped his notice that the Labour Government were in power for 13 years. If there is a big skills shortage in Barnsley, does he not therefore accept that his own party has to take some of the responsibility for that?

Dan Jarvis: I am incredibly grateful to the hon. Gentleman for that intervention, which gives me the opportunity to remind the House—although there will be no need to remind people in Barnsley—of the impact of the policies of the Conservative Governments led by Margaret Thatcher in the 1980s. People in Barnsley will recall the damage that the Conservative Governments who were in power until 1997 did to such places. I will be very happy to walk through Barnsley with the hon. Gentleman, who is always welcome to come and visit—it is not terribly far from his constituency. I will be delighted to show him the real, long-lasting structural improvements that were made in Barnsley as a result of 13 years of Labour government. In effect, the cuts made by the Conservative Governments of the 1980s and 1990s created structural, long-lasting, generational decay in Barnsley, and that takes a significant period to overcome. I believe that the Labour Government made considerable progress during the 13 years when they were in office, and that is clear to people when they walk through the streets of Barnsley. The Building Schools for the Future programme is a classic example; it has provided state-of-the-art infrastructure for kids who go to school in Barnsley. We can be proud of that record. I am grateful to the hon. Gentleman for the opportunity to make that point.

As I said, the Government have axed Train to Gain, which was a valuable scheme that provided a significant amount of work-based training to hundreds of thousands of people. They have also scrapped fees remission for people over 25 who are doing level 2 and level 3 courses, and the Minister has had to admit that adult apprentices may have to borrow £9,000 to fund their training. As Labour Members will be well aware, the Government have also cancelled the Barnsley-inspired future jobs fund, pioneered by Councillor Steve Houghton, the leader of Barnsley metropolitan borough council. I remind the House that the FJF provided jobs for 100,000 18 to 24-year-olds, with a valuable training element. Overall, I believe that those decisions represent a reckless underinvestment in the skills needed for economic regeneration and are a body blow to the aspirations of young people not just in Barnsley, but across the country.

Barnsley stands to be particularly affected by the changes in benefits made by this Government. I fully agree that welfare needs to be reformed, but I do not believe that we are going about it in the right way. Above all, the changes do nothing directly to support new jobs. Across the country, there are five times as many claimants as there are open positions. We risk the injustice of penalising people for failing to get jobs that simply do not exist.

There are several ways in which the reforms undermine job creation and stop people getting off benefits. The assumption that the unemployed are earning the minimum wage in the calculation for universal credit will make it virtually impossible for many people to set up a business. The new enterprise allowance cuts out anyone who has not been on jobseeker's allowance for six months. People coming off disability allowance and people who have just been made redundant who want to set themselves up in business are being told that they have to waste six months uselessly claiming jobseeker's allowance before they will be eligible for the new enterprise allowance. That costs taxpayers more for people who want only to stand on their own two feet. Will the Government look again at their welfare reform programme as it clearly needs improvement?

The problems facing Barnsley are indicative of those facing towns across the country. The message seems self-evident: we can either sacrifice everything to balancing the books in a way that undermines the economic stability of the country or we can tackle these problems head-on. This is not a request for unlimited spending or an end to reform; it is just a request for the Government to do their bit so that we in Barnsley can fulfil our potential. For now, the Government's approach is ensuring that places such as Barnsley bear a disproportionate burden. If this Government are to live up to their promises, if they are to make a claim to the basic principles of fairness, and if their cuts and reforms are to have any legitimacy with the British people, that must change.

3.47 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate the hon. Member for Barnsley Central (Dan Jarvis) on securing this debate. I do not know whether this is his first Adjournment debate, given that he is a relatively new Member of the House—the second most recent if my calculations are right—but some of the language was a

[Mr Mark Prisk]

little flowery, and there was a strong desire to have a go at the Conservative Government. There seemed to be a moment of frozen time between 1997 and last year, but we will pass that by.

I agree with the hon. Gentleman that Barnsley should share in the sustainable, long-term growth that is the overriding priority of this Government for the whole country. We want to forge a new model of growth based on rebalancing the economy both geographically and in terms of sectors. We want to promote and encourage innovation and boost exports, which is a real key to enabling small and medium-sized enterprises to prosper, and not just rely on consumption fuelled by public debt.

The hon. Gentleman rightly highlighted the proud industrial heritage of Barnsley. He was right that it is working hard to continue its transition from the traditional coal mining and glass making industries to new industries such as the low-carbon, creative and digital industries. As he rightly highlighted, Barnsley's potential has been shown by the decision of ASOS to move parts of its operation to Grimethorpe. I believe that it already employs some 500 people and is set to increase that to 1,000, making it Barnsley's biggest employer. I am happy to put it on the record that that investment is evidence of the council, the business community and the economic development partners working together locally to make the best use of the area's assets to bring in the long-term jobs that are important for the people of Barnsley.

As you will know, Madam Deputy Speaker, Barnsley is well positioned to benefit from the growth potential of both the Leeds and Sheffield city regions. That is why we agreed that, sitting where it does, and considering the travel-to-work market areas in which it sits, it should be a full member of both local enterprise partnerships. That underscores the principle behind the partnerships. We have introduced them so that they are founded on real, functional economic areas that actually reflect where businesses trade and people work. Through LEPs, we are encouraging business and civic leaders to come together to provide strong leadership at local level. After all, it will be those local leaders who really understand the barriers that are holding back growth in their area. Our policy is deliberately designed to empower them to set the agenda and work together to both drive sustainable growth and create private sector jobs.

In the past few months I have visited 18 local enterprise partnerships, including both the Sheffield and Leeds ones. I have to say, I have been immensely impressed by the ambition and capability of the boards and their members.

Angela Smith: Barnsley is responsible for the production of more than 90% of clay pipes in this country, which, as the Minister knows, is an energy-intensive industry. The Government have a role to play in ensuring that we keep those jobs in the UK and in Barnsley, and create more of them in that really important, environmentally friendly industry. Will the Minister acknowledge that he and his Department have a role to play in ensuring that such industries can stay in the UK and are not made uncompetitive by Government policy on carbon floor pricing?

Mr Prisk: I am not just pleased to acknowledge that, I am actively playing that role now. The Prime Minister is on record as saying that we do not want, as an unintended consequence of our policies to reduce carbon emissions, to somehow export jobs in such industries only to see the net effect on the climate worsened. The hon. Lady is absolutely right about that, and that is why, working with the energy-intensive industries, we have set in train an approach to develop a proper mitigation strategy. In that way we can help the generators of energy who need a carbon floor price without, as an unintended consequence, destroying the industry to which she refers and the brick, ceramic and steel industries. That is one challenge that we need to meet. It is a tricky balance, because some sectors wish to see a new regulatory framework and others do not. We are trying to ensure that we secure one group without destroying the other.

I mentioned that Barnsley is part of both the Sheffield and Leeds city LEPs. Sheffield city region is focusing on advanced manufacturing and technology, and I am sure that the hon. Member for Barnsley Central will be aware that the advanced manufacturing research centre, based at the university of Sheffield, was recently announced as one of the seven partners in the Government's first technology and innovation centre. That will focus on high-value manufacturing, and it includes some world-leading businesses such as Rolls-Royce and Boeing. Sheffield city region's LEP is looking to exploit the potential of the industries to which he referred—creative, digital and low carbon—in which there are real emerging opportunities. For instance, there are the emerging plans for the Dearne valley eco-vision.

Let us not forget that both Leeds and Sheffield LEPs have been charged with overseeing the launch of enterprise zones, as announced by the Chancellor. I worked in enterprise zones in the 1980s, and I do not share the hon. Gentleman's natural scepticism of them. I see the benefit of them. I am not unaware of the danger that if we do not handle them right there can be an unnecessary displacement effect, but we have reformed them to allow the local business and civic leadership to tell us, through the LEP, including the Barnsley team, where they feel the zones should be. That is a critical difference from what we saw in the 1980s, which is so clearly emblazoned on his memory. Then, the zones were imposed from the centre. We are not doing that. We are asking the partnerships, "Where will the zones have the best effect?"

The enterprise zones will have an important effect. We will notice improvement through the business rates tax breaks, the business-friendly planning rules and the application of superfast broadband, which will kick-start private enterprise locally. The extra business rates that are collected as a result will then be retained and made available to work across the whole local enterprise area. I suspect that one or two businesses will begin to realise that Barnsley, sitting in the middle of two LEPs, is in quite an advantageous position in that context. I also suspect that the hon. Gentleman will fight to ensure that Barnsley remains in that position.

The Government are working with LEPs and enterprise zones on some potential additional incentives to suit local circumstances. This is particularly relevant in south Yorkshire, because those incentives include consideration of enhanced capital allowances for plant and machinery where there is a strong focus on manufacturing. We are

also considering tax increment financing to boost the long-term viability of such areas, and ensuring that we provide specific and tailored support for inward investment through UK Trade & Investment. I shall say more about inward investment in a moment, because the hon. Gentleman referred to it a moment ago.

On Yorkshire Forward assets, and particularly the Barnsley markets project, I fully accept that the forthcoming closure of Yorkshire Forward has left the future of the project open. I also appreciate that the project is key to Barnsley's ambitions to be, as the hon. Gentleman has said, a 21st-century market town. That is why I discussed the future of the markets with a delegation from Barnsley council a few months ago. I said then—and I am happy to say it again now—that we have never, and we will not, plan a fire sale of RDA assets in Barnsley or anywhere else.

The project is a victim of the economic downturn in recent years, but I understand that there is now a prospect of getting it going again, which is excellent news. The Government want a resolution that enables the project to be completed. We must have one eye on protecting the taxpayer, but local completion for the local economic benefit is firmly in our sights. I must be careful because discussions are ongoing, but let me put on the record that I welcome the positive discussions that the council is having on the future of the markets. My Department is working closely with local partners to see whether we can get that sorted out.

The hon. Gentleman asked about the regional growth fund. He is right. The first round was incredibly popular, which means that it was, to a degree, oversubscribed. However, I am pleased to tell the House that some 7,628 direct jobs will benefit from that first round, plus a further 2,716 indirect jobs. Most obviously—this is perhaps the most high profile initiative in some media circles—there was £6.4 million funding for the Haribo manufacturing plant in Normanton, and a £2 million R and D project under the new David Brown brand, Windserve. Perhaps most relevant to Barnsley is the £18 million programme for the Sheffield city gateway. That will significantly benefit the whole city region, including Barnsley metropolitan borough.

We are coming to the close of the second round stage—it closes on 1 July—the funding for which is twice that of the first round. Again, there has been a high level of interest. Lord Heseltine gave a briefing this morning for Members of Parliament. I do not know whether the hon. Gentleman had the chance to attend, but if not, he is very welcome to talk to my Parliamentary Private Secretary or to me to ensure that he is fully up to date.

May I clarify two points that the hon. Gentleman raised? First, LEPs can, and indeed are, bidding as part of that round. Secondly, small and medium-sized enterprises can bid, as I mentioned, through the various project schemes. This is one area in which they are getting together to put together sensible programmes that allow that. The House will understand that it is quite difficult to administer sensibly a £1 billion competitive fund down to sums of hundreds or small thousands of pounds. However, the £1 million limit has been adjusted to allow for projects and programmes, which has meant that a number of encouraging small and medium-sized bids are involved.

The hon. Gentleman referred to the importance of skills, and he is right. Skills are vital if we are to equip people for the new opportunities that lie ahead. That is why we are doubling to 24 the number of university technology colleges by 2014—to enable more young people to gain the technical skills they need from an early age; it is why we are funding up to 100,000 work experience placements for young people; and it is why we are investing £250 million in a substantial expansion of apprenticeships, which the hon. Gentleman acknowledged, by 75,000 places over the next four years. To help SMEs, a £75 million programme was announced in the plan for growth—support targeted deliberately to help SMEs that want to access advance-level and higher apprenticeships.

The hon. Gentleman asked whether LEPs should be mandated to drive skills locally. We do not need to mandate that because they are doing it already. One of the great things about the shift from regional development agencies to LEPs is that they allow that local initiative. I was immensely encouraged, certainly in my conversations with the Sheffield city region LEP, that they intend already to bring together their higher and further education college partners and their business partners. They can act as the co-ordinating point, and the nice thing is that we do not have to tell anybody to do that; they are going to do it of their volition.

The hon. Gentleman talked about the role of SMEs, and I entirely agree with him. They are crucial, whether in the economy of South Yorkshire or across the UK as a whole. As someone who started his business at the bottom of the last recession, I have been determined to ensure that the Government, with the remarkable support from everybody from the Prime Minister downwards, set out a path that will help SMEs start, grow and prosper. That is why we are cutting the corporation tax rates for businesses in Barnsley to 20p; simplifying the tax regime; and reducing the overall corporation tax headline rates, which will put an additional £1 billion in the coffers of business for it to reinvest. That is good for jobs. It is also why we are ensuring that new firms in Barnsley are exempted from national insurance contributions on the first 10 employees and extending the small business rate relief holiday—those rates so penalised smaller businesses trying to survive—for a further year from October; and why we took the decision substantially to expand the threshold for the entrepreneur capital gains tax relief from £2 million under the previous Government to £10 million under this Government. That will send the message that we want not only to cut tax rates to help SMEs start up, but to reward business owners as they develop their businesses. That is a crucial message, and one that was well received by businesses around the country.

Those measures are allied to a change in the way we deliver business support in Yorkshire and elsewhere. One of the key changes will be to strengthen how the manufacturing advisory service operates by putting together a £50 million package over the next three years. That outreach service helps SMEs in Barnsley and South Yorkshire, as well as the rest of the country, to improve their productivity, capability and strengths. That is an important shift.

The hon. Gentleman mentioned trade and the need to ensure not only that people can invest in the area, but that SMEs can expand. I believe that

[Mr Prisk]

Barnsley's businesses need more help in this field, which is why we have overhauled the former strategy and focused UK Trade & Investment on the future of SMEs and on strengthening their ability to reach new markets; and why we have asked the export credits guarantee department to improve substantially the financial support for exports. That will enable south Yorkshire businesses to apply for the new export enterprise finance guarantee, which will underpin their ability to borrow money to reach new markets. It is also why we have tried to establish simpler trade credit insurance schemes, which are an important way of ensuring that businesses have the confidence to start that process.

The Government share the hon. Gentleman's desire to see Barnsley flourish, along with the rest of the country. That is why we are going all out to create a business environment that will give companies the confidence to start, invest and grow, and it is why local communities are being freed from central control and mandates. It will enable them to determine their own future, most obviously through their LEP. This, in a way, is the key to achieving long-lasting economic regeneration and sustainable growth in Barnsley and elsewhere. I can assure him and the House that this will continue to have our relentless focus now and in the months and years ahead.

Question put and agreed to.

4.34 pm

House adjourned.

House of Commons

Friday 17 June 2011

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Mr Christopher Chope (Christchurch) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163), and negatived.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Mr. Deputy Speaker. We see today in the newspapers that the Government are announcing new measures on public sector pensions. It is in the media and we have seen the Chief Secretary to the Treasury being interviewed about it, but unfortunately there has been no notification on the Annunciator or the Order Paper that an oral statement will be made at 11 o'clock. Is that an error, and in fact a statement will be made?

Mr Deputy Speaker (Mr Lindsay Hoyle): I have had no notice of any statements.

Employment Opportunities Bill

Second Reading

Sir Peter Bottomley (Worthing West) (Con): On a point of order, Mr. Deputy Speaker. Would it be open to my hon. Friend the Member for Christchurch (Mr Chope) to move the Bill formally?

Mr Deputy Speaker (Mr Lindsay Hoyle): Yes.

9.35 am

Mr Christopher Chope (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

I am delighted that my hon. Friend the Member for Worthing West (Sir Peter Bottomley) is here, because the Bill incorporates the Training Wage Bill, which he has expressed support for, and he has expressed concern in the House that on a previous Friday I chose not to put that Bill forward for debate, which I did because I was anticipating this occasion today. I am grateful for his presence and support, as I am grateful for the presence and support of other hon. Members. I know that my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) is particularly enthusiastic about clause 1, if not about the whole of the Bill. Obviously, the message to all those who like parts of it but not the whole is that the Bill should be given a Second Reading so that it can be filleted as appropriate in Committee.

Sir Peter Bottomley: My hon. Friend refers to clause 3, which I am sure he will get to, but as I have to leave the Chamber to meet some young people, I hope he will allow me to make a point now. I do not think that the clause is broad enough. Clearly a training wage matters, but when I was a teenager and often taking casual work, it was not the training I was after, it was the work experience, being with people and earning money instead of spending money. I hope he will think of broadening the Bill in Committee so that it allows people to take worthwhile work, whether or not there is training, with a wage. That work should also be worthwhile to the employer and the customer.

Mr Chope: My hon. Friend makes a brilliant point, and I hope very much that he will be willing to serve on the Committee when that occasion arises. I am sorry that he will not be able to participate fully in the debate, but I understand that he is seeing constituents. His long-standing interest in common sense applies particularly to work opportunities for young people and is well known and respected across the House.

Members of the House are so conditioned to the advances of state socialism by stealth that the Bill may come as a bit of a shock.

Mr Denis MacShane (Rotherham) (Lab): Perhaps later on the hon. Gentleman could give us an example of socialism in Britain. Some Opposition Members might be interested to find out more about this new invention. Should not the Bill properly be called the increase in working poverty Bill, because the assault on the minimum wage—that thin line that protects the poorest workers from employer exploitation—which is the thrust of the Bill, is the meanest most miserable act from a mean and miserable party that hates the working people of this country?

Mr Chope: The right hon. Gentleman once again demonstrates his bitterness and his socialist credentials. When I introduced the Employment Opportunities Bill in the 2009 Session, I had, by this stage on the Friday morning, been inundated by hostile e-mails from various vested interests in the trade unions. The fact that that has not happened on this occasion shows that there is now a completely different climate of opinion out there, and that the trade unions realise that the minimum wage is of less significance than the fact that too many of their potential fellow workers and, particularly, too many young people do not have jobs. The right hon. Gentleman has failed to catch up with that change in the climate of opinion and the desire of most of us to ensure that we have increased international competitiveness and, as a result, higher standards of living and greater employment.

Mr Gareth Thomas (Harrow West) (Lab/Co-op) *rose—*

Mr Chope: I give way to the shadow Minister.

Mr Thomas: I am very grateful to the Minister for giving way.

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): Minister?

Mr Thomas: I meant, "I am very grateful to the hon. Gentleman for giving way." I am sure his time will come again.

Does the hon. Member for Christchurch (Mr Chope) think the climate of opinion has changed among his Front Benchers? Does he think that they will be tempted to support his Bill this morning?

Mr Chope: I doubt it, frankly. I am delighted to see the Minister of State on the Front Bench, but we do not have a Conservative Government, we have a coalition Government, and that is the Achilles heel. In due course we will see that my hon. Friend speaks not from a Conservative party brief but from a coalition Government brief. None the less, I and, I hope, some of my colleagues will be able to speak freely on behalf of the Conservative party.

The hon. Member for Harrow West (Mr Thomas) will recall that back in 1997-98, when his party introduced the minimum wage legislation, the Conservative party strongly opposed it on principle and on the basis that it would prove to be counter-productive and not in the long-term interests of Britain's competitiveness or, indeed, of people wanting to get into work.

The initial level at which the minimum wage was brought in was so relatively low that it did not bite as acutely as some people had feared it might, but since then the level has risen by the best part of 70%, far ahead of average earnings and of inflation, and as a result it bites a lot more than it used to. That is why I hope that my hon. Friend the Minister and, certainly, my party will look again at the issue and see what is happening in the real world as a result of the minimum wage legislation that we have.

Philip Davies (Shipley) (Con): Does my hon. Friend also recall that it was not only the Conservative party that opposed the minimum wage when it was first introduced, but the Liberal Democrats?

Mr Chope: My hon. Friend is second to nobody in his knowledge of parliamentary history and, in particular, of the Liberal Democrats, and I am grateful to him for reminding us of that and for putting it fairly and squarely on the record. I saw that at the same time as he was doing so the Deputy Leader of the House moved from his place to chat to Mr Deputy Speaker—perhaps so that he might feel absolved from the requirement to intervene.

Sir Peter Bottomley: We recognise that the Deputy Leader of the House is still here as an invigilator and monitor, but has my hon. Friend noticed that the hon. Gentleman's Liberal Democrat Back Benchers—our allies—have kindly trusted my hon. Friend to do what he wants? He should do what he wants and not hold back.

Mr Chope: My hon. Friend again makes a good point, and I shall try not to be too inhibited or, as we said earlier during Prayers, too eager to find favour in what I try to do today.

Tony Lloyd (Manchester Central) (Lab): I appreciate that the hon. Gentleman is only in the foothills of his speech, and I am sure that we will enjoy every moment of it—at least its comedy, if not in reality. On a serious point, however, he notes correctly—as far as I am aware—that both the Lib Dems and the Conservative Front Benchers have never formally stood up in Parliament and said that they recognise the validity of the minimum wage. Does he believe that his Front Benchers have now changed their minds, or are they, like him, waiting for the right time? How does he square that with the position of Boris Johnson, who is not simply in favour of the minimum wage but wants to go higher and put people on the living wage?

Mr Chope: The hon. Gentleman makes a good point, but I think that the Mayor of London would be very supportive of clauses 4 to 6, which basically call on the Low Pay Commission to look at the impact of different wage levels on regions and travel-to-work areas, because the Mayor recognises that the cost of living in London is much higher than in other parts of the country. In order to afford that cost of living, people on the whole in London need to have higher levels of minimum wage, or higher levels of wages, than people in other parts of the country. At the moment, the rigidities of the national minimum wage legislation and the regulations made thereunder exclude that flexibility.

Tony Lloyd: That is very helpful, because the hon. Gentleman says that in London people need to have a minimum wage, so I think he is buying into the concept of the necessity of the minimum wage. We may be debating this rather unhappy idea of a regional differential, but it is interesting that he is making progress in his support for the minimum wage.

Mr Chope: The hon. Gentleman will know that my Bill does not actually abolish the minimum wage; it enables freely consenting adults to opt out of it and calls on the Low Pay Commission to look at the market for labour throughout the country, having regard to the differences in individual travel-to-work areas. I hope therefore that, if he wants to oppose the Bill, he will do

so on its merits, but following his intervention I am bound to observe that on today's Order Paper he has his own maximum wage Bill.

I do not know whether that Bill is designed to curb the excesses of footballers or what, but as always he seems keen to intervene in the market rather than to allow the market to dictate what should happen and to allow people to make free agreements. I am as much in favour of allowing footballers to agree with their clubs terms that to most of us seem incredibly generous. Why should they not be able to do so if those terms are agreed freely? In the same way, why should not people who are willing to work for less than the minimum wage be allowed to do so freely?

Tony Lloyd: Has the hon. Gentleman read his own Bill? He said that the Mayor of London might want a minimum wage in London set higher than the national minimum wage, but that is not what clause 4 states. It allows for a recommendation

"that the minimum wage in any...area should be set at a level below the national minimum wage,"

but it does not mention "above the national minimum wage". Seriously, if the hon. Gentleman promises to read his own Bill, perhaps we can debate its real merits.

Mr Chope: If we have a national minimum wage, we should be able to opt out of it. If the hon. Gentleman is arguing that there should be not a national minimum wage but a regional minimum wage, that is a completely different proposition, and it would need a different Bill, but I suppose that my Bill might be amended to reflect his wishes, were that the wish of the House.

Mr David Nuttall (Bury North) (Con): Is there not some confusion between the "national minimum wage" and what is described in London as the "London living wage"? That is something entirely different and, as I understand it, something set annually here in London, not by the Low Pay Commission.

Mr Chope: My hon. Friend is absolutely right, and I do not know, because I have not inquired, how many hon. Friends of the hon. Member for Manchester Central (Tony Lloyd) employ people as interns for well below what my hon. Friend and the Mayor of London would describe as the London living wage, but perhaps we will hear about that in due course.

I do not want this Bill to go forward without some focus on clause 1, because under current law we deny those foreigners seeking refugee status the right to work in this country.

Clause 2 deals with the problems that the current law restricts British citizens from selling their labour at a price of their own choosing; discriminates against those who are young, inexperienced or seeking on-the-job training; prevents people from agreeing to cut their wages to save their jobs; and imposes nationally uniform rules on the labour market, ignoring regional and local variations. All those shortcomings are tackled in the Bill, which effectively recognises the right to work.

The context for that can be found in article 23(1) of the universal declaration of human rights:

"Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment."

Article 6 of the international covenant on economic, social and cultural rights, to which the UK is a party, states:

"The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right."

I think it will come as a shock to many Members to know that currently many people are not given the right to work enshrined in those important United Nations articles. The Bill is designed to address that problem.

To make it clear to the hon. Member for Manchester Central that I have read my own Bill, I have noticed that there is a typographical error in clause 1. As a consequence, it would enable only foreigners who are in detention to work, rather than the reverse, which was the intention. I put that firmly on the record and apologise to the House. I will address my remarks to clause 1 as it should be, rather than as it is.

Clause 1 refers directly to those unlucky enough to be seeking asylum in this country as a result of persecution, and obviously to their families. Why are we depriving people who are seeking asylum of the ability to earn money while in this country, so that they can make ends meet and not be wholly dependent on the state? The shock of seeking refugee status should not be exacerbated by the humiliation of not being able to take employment and contribute to the society that is acting as their host while their application is considered.

Mr Peter Bone (Wellingborough) (Con): Speaking as the chairman of the all-party group on human trafficking, one problem for victims who have been trafficked into this country is that if they are rescued by the police and start to recover, they are not allowed to work because they are treated as asylum seekers.

Mr Chope: My hon. Friend is absolutely right. Of course, that treatment also prevents people who are being held in prison-like conditions by the person who is looking after them from breaking out, for fear of a worse penalty being sustained.

Philip Davies: As my hon. Friend knows, he and I agree on virtually everything. However, as I reflect on the delicious irony of the Labour party stacking up to oppose a Bill that would allow asylum seekers to work, I wonder whether he thinks that his measure would be a further magnet for vexatious attempts to claim asylum in this country.

Mr Chope: If it would be, I certainly would not put it forward. In fact, I want it to be the complete reverse. I want the Bill to put pressure on the Home Office to deal with asylum applications a lot more quickly than it does. If asylum applications were regularly dealt with within a few weeks, the issue of asylum seekers being unable to work and support themselves would not be as serious. However, I have had constituents come to me—I am sure my hon. Friend has had similar experiences—and say that they have been waiting for seven or eight years to have their asylum cases dealt with. That goes back to the days when the Government of the hon. Member for Harrow West were trying to run the country. That puts asylum seekers in an impossible position. They want to work, but they are prevented from doing so by the law of the land.

Tony Lloyd: Will the hon. Gentleman give way?

Mr Chope: I will not.

Tony Lloyd: It may be helpful.

Mr Chope: Okay then.

Tony Lloyd: Or it may not. The hon. Gentleman might be interested to know that I have long held the view that he is putting forward. It is ludicrous that there are Zimbabweans whom we will not return to Zimbabwe—quite rightly because of the situation in that country—but who are prevented from working for themselves, their families and, frankly, the rest of the country. That makes no sense. He might be surprised to learn that there is a lot of support for that view among Opposition Members.

Mr Chope: I am delighted to learn that that was a useful intervention, and I am glad that I gave way. When I gave the example of my constituents, I had a Zimbabwean in such a position in mind.

Obviously, in putting forward a proposal such as clause 1, one needs a statistical basis to show how many people would be affected. It seems as though all the statistics produced by the Home Office in this regard are completely unreliable. *The Daily Telegraph* reported on 26 April that 25,345 new asylum cases submitted since 2008 still awaited a conclusion. The Home Affairs Committee reported on 24 May that the independent chief inspector of the UK Border Agency agreed that there was a new backlog, but did not know its extent. He advised that he might find out what the extent of it was in due course. We know that the Government were going to achieve the target of completing 90% of asylum cases within six months by December 2011. My understanding is that that target has been abandoned in favour of what is described as a "basket" of 11 alternative indicators. The National Audit Office report of 15 March indicates that up to 181,000 people might have overstayed their work, student or family reunion visas in the past four years. We also know that migrants are arriving in this country at a rate of between 500,000 and 600,000 a year. That is more than 10,000 a week.

There is a problem here. I think that the most deserving people who come in as migrants are genuine asylum seekers and refugees. However, the UK Border Agency makes it quite clear on its website, under the heading "Employment", that asylum seekers are not allowed to work:

> "You will not normally be allowed to work while we consider your asylum application, except in very limited circumstances."

It continues:

> "Currently, most new asylum applications receive a decision within 30 days."

That is what the website says, but it is not borne out by the statistics to which I have referred. So what actually happens? Instead of allowing asylum seekers to obtain employment, we, as national taxpayers, give them support. We provide them with cash, housing, access to the health service and access to our schools when children are involved. We are paying out a lot of extra money to support people while denying them the opportunity to support themselves.

Does that make sense? In my book, it does not make any sense whatever. I therefore hope that the Government will look carefully at my proposition.

We know that in Sweden, for example, asylum seekers are given the right to work. We can contrast the situation there with that in Greece, about which I have recently received a lot of evidence in my capacity as this year's chairman of the Committee on Migration, Refugees and Population of the Parliamentary Assembly of the Council of Europe. The situation in Greece is desperate, because the Greek authorities will not allow the tens of thousands of asylum seekers in the country to work. As a result they cannot get their cases dealt with quickly, and some have been waiting there for many years. Now there is a outbreak of lawlessness, including murder and a lot of robberies, in Athens and surrounding areas, committed by desperate asylum seekers who do not have the means or ability to lawfully seek jobs. They are locked into Greece because they cannot get into any other country. They cannot go back to Turkey, through which most of them arrived. The situation for asylum seekers there is chaotic and desperate. I do not want to see that replicated in this country.

Mr Bone: The problem in this country, at least from my experience in Wellingborough, is that although people are trying to deal quickly with new asylum cases, the backlog includes people who have been here for years and years. Their cases are not being decided because of the concentration on new applicants. That means that they have to live on benefits for years, when they want to go out and work. Often, they have married and had a family. That situation cannot be right.

Mr Chope: My hon. Friend is absolutely right, and that is why I am so grateful to him for being a sponsor of the Bill.

Mr Brian Binley (Northampton South) (Con): My hon. Friend is as eloquent as ever, although I hope he will speed up a little in order to allow me to deal with my Bill

Is my hon. Friend going to talk about the black economy? One problem with the employment law he is talking about is that it enlarges the black economy. There is certainly evidence of that in Greece, and from my experience there is evidence of it in Northampton, too.

Mr Chope: My hon. Friend is absolutely right about the black economy, and indeed I will refer to it in due course. The Low Pay Commission itself accepts that there are more than 1 million operating in the black economy at below the national minimum wage. That demonstrates that the minimum wage legislation is not working anyway and is widely ignored.

Jacob Rees-Mogg (North East Somerset) (Con): It occurs to me that one advantage of what my hon. Friend proposes is that the mood towards asylum seekers in this country would improve dramatically. Many people feel that if asylum seekers are coming here and claiming benefits, claiming benefits was their reason for coming here. If asylum seekers were working and contributing, the British people would regard them more sympathetically

Mr Chope: My hon. Friend makes a really good point. This month we are celebrating 60 years of the UN refugee convention. One of the problems of public perception is that although everybody supports refugees—I think almost everybody would say that we are happy to

look after refugees—they do not regard all asylum seekers as genuine refugees. They now think of asylum seekers as what are called illegal or irregular migrants. If we were able to give the genuine asylum seeker enhanced status, as he says, that would raise the esteem in which they are held in this country and their own self-esteem.

I turn now to clause 2. You will know, Mr Deputy Speaker, that the minimum wage is currently £5.93 an hour for an adult over 21, but this October it will rise to £6.08 an hour for such an adult, to £4.98 for those aged 18 to 20 and to £3.68 for those aged 16 or 17. In addition, for apprentices who are within a particular age range there will be a minimum wage of £2.60 from this October. To illustrate the consequences of my Bill, I will use the October figures rather than the current ones.

Defenders of the minimum wage argue that it represents the minimum living wage, but if so, why do hundreds of thousands of self-employed people work for far less, and why does the state tax the minimum living wage? I am enthusiastic about the coalition Government's tax policy, which recognises that the minimum wage is so basic that it should not be taxed, but we are a long way from that at the moment. From October, the minimum wage for a 40-hour week will amount to £12,646 a year, whereas even the enhanced tax-free allowance for a single person will be £7,475. That means that even somebody on the minimum wage is paying tax on more than £5,000 of their income. In consequence, far from actually receiving a minimum wage of £6.08, the amount that people who are working full-time can take home is more like £5.

Mr Thomas: Just to clarify the hon. Gentleman's position, will he tell the House whether he supports the decision to uprate the national minimum wage or thinks that the Government got it wrong?

Mr Chope: My own view is that the Government got it wrong—I will be blunt about it. There is no point in beating about the bush. I know that I am supported in that opinion by a lot of other commentators. I will discuss later one comment on the increase of 2.5% for adults and an even smaller percentage for young people, which is that it will be disastrous for young people. If that modest increase in the minimum wage is going to make an enormous difference to young people, what would be the consequences of introducing the flexibility in my Bill? It would be nirvana for young people who do not currently have work and are seeking it. We need to consider the matter in context, and I think there is a much bigger issue than whether the minimum wage should be raised by 2.5%, as it has been this year.

Raising the personal allowance will do a lot more to help people on the minimum wage than the 2.5% increase. The effect of the interaction between the minimum wage and income tax is that about 8% of the income of somebody working on the minimum wage will be taken in tax, plus what is taken in national insurance contributions.

If a single adult is out of work, he is entitled to an out-of-work benefit payment of between £60 and £70 a week—well below £2 an hour, even for a 35-hour week. However, the minimum that he can be paid if he works for 35 hours is more than £200 a week. That is a big gap. If he is offered, and willing to take, 35 hours' work for, say, £140 a week, which is twice what he can get on the dole, the state does not allow him to take it despite the fact that it would save the state a significant amount of money. I put this to the House and to the Government: how ludicrous, mad and silly is that situation? Why can we not allow somebody who would otherwise try to exist on benefits of between £60 and £70 a week to go out and obtain gainful employment and double his remuneration? Currently, we do not allow that.

The freedom to work for less than the minimum wage would not be attractive to everyone, which is why the Bill does not seek to abolish the minimum wage but to facilitate an opt-out by mutual consent. That freedom would not be attractive to everybody. Some might choose to invest some of their time looking for much better paid work rather than undertaking work below the minimum wage.

Jacob Rees-Mogg: It just occurred to me that somebody who refused a job who had not opted out of the minimum wage could exclude themselves from receiving jobseeker's allowance. Would that be the case, or could the Bill make provision for that?

Mr Chope: The Bill could make provision for that—I certainly intended to make provision for that, but it is not expressed in the current wording. My hon. Friend makes a good point, because we do not want to introduce more disincentives to opting out of the minimum wage, such as putting people in a position in which they are not entitled to any benefits should their circumstances change.

Another reason why people may not want to opt out of the minimum wage is that unemployment benefit or jobseeker's allowance provide access to passported benefits—meaning that they bring with them money for dependents and help towards housing costs and so on—so people could be worse off working for less than the minimum wage than if they were on benefits. My question is why should these people not have the freedom to decide for themselves whether or not they wish to work for the minimum wage?

Many self-employed people earn far less than the annualised minimum wage for full-time work, thereby avoiding the constraints of the national minimum wage legislation and fixed penalties. There are fixed penalties, which can run into thousands of pounds, for employers who take people on at below the minimum wage, even if that person wants to work for less than the minimum wage.

Of course, not everybody wants to become self-employed. Another argument that I expressed when the minimum wage legislation was originally before the House in the late 1990s was that it discriminates unfairly and disproportionately against people who are not classified as fully disabled—for the purposes of this argument, I shall describe such people as conscientious plodders. It might take such people a bit longer to do a given bit of work than it would take the average person, but by having a national minimum wage we are putting them at a significant disadvantage, because they might otherwise be able to work longer hours for less money per hour to achieve the same objective. If they did that, they would take pride in being able to work and contribute to our society. I do not have the figures with me, but I believe

[Mr Chope]

that the proportion of disabled people who are unable to get a job is rising rapidly. That might well be linked with the advent of the national minimum wage.

What would be the consequences of enabling people to opt out? There are many examples of people who offer work to others, such as window cleaning, gardening and car washing, that is not worth as much as the minimum wage. I am not talking only about what we used to know as boy scouts' bob-a-job week jobs—it is probably more than a bob a job these days. Many people would be willing to offer something less than the minimum wage for a job, but they are currently not allowed to do so. If the price is right, a potential employer will be willing to provide work. I am sure that there is a lot of opportunity out there in the marketplace. People would offer work to people if the wage demanded were not as high as it is currently under the minimum wage. That is particularly true in the more remote regions of the country.

Mr Thomas: I am grateful to the hon. Gentleman for being so generous in giving way. As part of his preparations for today's debate, has he had the opportunity to study a paper published by the National Institute of Economic and Social Research that suggests that the minimum wage has helped to increase rather than reduce employment?

Mr Chope: I did come across a document that seemed to say just that, but I am not sure whether it was the one to which the hon. Gentleman refers. I read it, but I was not convinced. Indeed, I shall refer in due course to an article that I believe is much more in tune with my views on this matter. It is interesting that he refers to documents from that body, which includes in its title the words "social research". If anybody should examine this issue, I would have thought it should be the Low Pay Commission and objective, independent commentators.

Philip Davies: On that point, is it not bizarre that the previous Labour Government used to believe that if we put the price of something up, we would get less of it? Hence they fervently increased the price of tobacco, because they thought that would mean that fewer people would smoke, and increased the price of alcohol on the basis that fewer would drink. Surely by the same logic, if we increase the cost of employment, there will be less employment.

Mr Chope: My hon. Friend is absolutely right. It is certainly true that we would get less official employment, which goes back to the point made by my hon. Friend the Member for Northampton South (Mr Binley) on the black economy. If the minimum wage results in higher numbers of people in work, why are more than 1 million people working in the black economy below the minimum wage, as the Low Pay Commission assesses?

Mr Nuttall: So if we continued to increase the minimum wage, would we get rid of all unemployment? That seems to be the logic.

Mr Chope: As so often, my hon. Friend produces the reductio ad absurdum to counter the argument of the hon. Member for Harrow West and that so-called think-tank.

Mr David Hamilton (Midlothian) (Lab): What would the hon. Gentleman say to the many employers in my area in small and micro companies who want to pay a fair wage, and indeed do so, if they were undercut by an unscrupulous employer down the road who did the same work? In the latter's profit margins, one factor would be the lowest wage possible. What would he say to the good employer who wants to pay a fair wage because he knows his employees personally?

Mr Chope: That is happening in the real world anyway. Employers in the black economy do not pay tax or national insurance, or offer basic health and safety protection, but they compete with employers such as the ones to which the hon. Gentleman refers.

Let us consider my situation. In the House of Commons, I happen to employ a researcher/intern and pay them more than the national minimum wage, but I do not feel that I am at a competitive disadvantage compared with those colleagues who pay interns nothing or significantly less than the national minimum wage. If employers in the hon. Gentleman's constituency have good quality employees and look after them well and reward them appropriately, all other things being equal, they can prosper in the marketplace. Currently, many jobs go to countries in the third world that do not have minimum wages or wages anything like as high as we have. However, if we are to provide good-quality jobs in this country, we need the freedom to allow people to compete, and we need to allow people the freedom to work and reach an arrangement with their employer, if they want to.

Let us imagine that one of the constituency firms to which the hon. Member for Midlothian (Mr Hamilton) referred was up against it, had had a big drop in its order book, was facing problems with the bank and all the rest of it. If these people were on the minimum wage and the employer went to them and said, "Look chaps, we've got this financial crisis in the company, so we need to come to an agreement whereby we all reduce our wages and salaries if we are to get through this crisis", that would not be allowed to happen. How inflexible and absurd is that? I hope that the hon. Gentleman will consider this issue in a different light following this debate, and discuss these important issues with employers in his constituency and, more importantly perhaps, people in his constituency who are currently not working but willing to work for less than the minimum wage, if allowed to do so.

The right to work covers not only remuneration, but how many hours are worked. I will not go into this, but obviously there are considerable worries about restrictions on the ability to opt out of the 48-hour working week. That brings me on to clause 3, which incorporates the training wage into the Bill. I am sure that I speak for many colleagues in saying that I could fill my office with unpaid volunteers and interns. Large numbers of organisations now rely on getting young people into their workplaces for no remuneration at all, even when they have to work in London. That is grossly unfair, but one of the reasons it is happening is that there is no flexibility for such people to be paid something between zero and a national minimum wage. If a person is inexperienced and lacking in qualifications, they will obviously be at a disadvantage in the labour market compared with somebody who has got experience and

better qualifications. We should be encouraging, facilitating, enabling these people to join the labour market, rather than acting to exclude them.

That is particularly the case for young people. Record and rising numbers of young people are out of work. There was a blip in the figures published this week, but the trend is unmistakable—the number of people between 18 and 24 who are out of work is rising exponentially. Figures for my constituency show that in the period up to May the number of under-24s out of work was rising, whereas the numbers for those in the older age groups were falling.

Mr Thomas: I rise to enable the hon. Gentleman to find the figures from Christchurch, and gently to make the point that perhaps abolition of the future jobs fund, which I think he supported, might not have been such a good idea after all. May I draw his attention to clause 3(2), in which he talks about an

"entitlement to training from the employer in skills relevant to the employment"?

There is no sense in the clause of a quality threshold for that training. Is that not a further reason for the scepticism of those in the House and outside who worry that this part of the Bill would also undercut the minimum wage and allow, as my hon. Friend the Member for Midlothian (Mr Hamilton) hinted at just now, rogue employers to undercut the quality jobs offered by the many, many good businesses in this country?

Mr Chope: I am grateful to the hon. Gentleman for intervening, and I will return shortly to the figures I have now been able to find as a result of his intervention. On the training wage, I am disappointed by his intervention because it shows that he is trying to be pedantic. He is not sure whether under the contract of employment entered into voluntarily between the employer and the trainee—for want of a better expression—the training would be of a sufficient quality. However, that would be a matter between the person being trained and the employer. If that is the hon. Gentleman's only objection, I would be happy to see what could be done in Committee, but I suspect that his objection is much more fundamental, because he is on the side of producer interests backed up by the trade unions. He is not really interested in having a genuine training wage, which is what I suggest we should promote through the Bill. I do not want to appear too sceptical or cynical about what his interventions are really motivated by.

According to statistics from the House of Commons Library, in my constituency in April 2011, there were 205 jobseeker's allowance claimants under the age of 24, which was an increase of 2.5% over the year. For those between 25 and 49, there was a reduction of 375, which was a 22.7% reduction, and for those aged 50 and over, the numbers were 150 and a 30% reduction. Those figures speak for themselves—they show that we have a real problem. While the numbers of people receiving jobseeker's allowance in the older age groups are declining—certainly in my constituency—the same is far from true for those in the younger age range. A rational body deciding on policy would say, "There's a problem here. We have to try and address it." I hope, therefore, that my hon. Friend the Minister will tell us when he winds up the debate what the Government are going to do to get more young people trained and back into work, if they are not going to adopt my suggestion in clause 3.

Mr Bone: Before my hon. Friend moves on, may I use the word "scandal" about the situation with interns? People come to me asking to be interns—people with university degrees—but I cannot pay them anything because of rules set by the Independent Parliamentary Standards Authority, which means effectively that the only people whom I take on as interns are people from wealthy backgrounds. That cannot help social mobility and is wrong. IPSA needs to reconsider that specific point.

Mr Chope: I am sure that the powers that be in IPSA will be listening to every word my hon. Friend says. I agree with him. This, again, is one of the problems with having centralised bureaucracy intervening in the marketplace. Perhaps if clause 3 was on the statute book, it would provide a complete answer to the problem he has identified.

I was talking to a colleague yesterday who said that his son, a recent university graduate, was out of work. At the moment, about 20% of graduates are unemployed. That does not mean that they are unemployable—most of them want to get a leg up into the workplace, but at the moment they are being deprived of that. I had a case in my constituency of a graduate, aged about 24 or 25, who said that he would be happy to work for the so-called apprenticeships minimum wage—it will be £2.60 from October—but he is not allowed to do so because it applies only to people aged 18 or 19. That, too, is a real issue.

I promised earlier that I would refer to Mr David Frost of the British Chambers of Commerce, who said:

"The change to the national minimum wage rate is the wrong increase at the wrong time and will risk pricing young people out of work when youth unemployment is at a record high".

As I pointed out earlier, if he thinks that a 6p an hour increase in the minimum wage for young people will break the bank, would not completely removing the constraints of the national minimum wage from young people undertaking training have an even greater impact? That is not always the case, but I do not go as far as Eamonn Butler from the Adam Smith Institute, a good friend of mine, who on 17 February called for the minimum wage for young people to be totally scrapped. He set out some cogent arguments and said that the minimum wage

"prices them out of jobs, so does them no good at all. For them, low-paid work is a way of building up some human capital that will make it easier to find a better job. But we stop them even getting that work at all—and all in the name of protecting workers."

I very much agree with those sentiments.

The last part of my Bill deals with the need to ensure flexibility in the labour market in different parts of the country and sets out a method by which the Low Pay Commission will be required to address those problems.

I hope that this Bill will command the support of the House. However, I hope also that it will trigger a much more serious debate than we have had so far across the Chamber, among my political party, the coalition Government and the Opposition, because this issue is far too serious to be the subject of yah-boo politics—"Are

[Mr Chope]

you in favour of the minimum wage or are you against it?" We need to examine the issues in a rational, non-prejudiced and hard-headed way, so that we can get more people back into jobs and enable our economy to prosper.

Mr Thomas: I am grateful to the hon. Gentleman for giving way, as he is clearly winding up to his summary and peroration. With all due respect to him, he has a tendency to march his troops up the hill on a Friday, only to march them straight back down just a little bit later. If those on the Government Front Bench do not share his analysis, will he force a vote on the Bill, or will he once again march his troops back down the hill?

Mr Chope: The hon. Gentleman is uncharacteristically disparaging, if not insulting. First, I am not aware of having any troops. Secondly, if he is referring to the fact that I withdrew my two earlier Bills—the Training Wage Bill and the Minimum Wage (Amendment) Bill—he makes a fair point. However, I withdrew those Bills from the Order Paper because their provisions are incorporated in the Employment Opportunities Bill word for word. Having the good fortune to have secured a debate that could go on for five hours, I thought it better to have one, proper debate, rather than three separate debates. If it is the hon. Gentleman's accusation that I withdrew those two Bills so that they could be incorporated into this Bill, I plead guilty.

So far as forecasting what will happen after the Minister has spoken, I cannot do that. When the Whips ask, "How will you be voting?", I always say, "I'm going to wait and hear what the Minister says," because I have an open mind on these issues. The Minister may well announce that he will support my Bill. Indeed, I had the wind taken out of my sails last Friday when a Minister said just that, and my Bill was unopposed on Second Reading.

Mr Prisk: For the sake of my hon. Friend's health, I would advise him not to hold his breath.

Mr Chope: I am disappointed about that, because it sounds as though my hon. Friend may have come to the Chamber with his hands tied—perhaps by the coalition strings—and unable to address the arguments that have been deployed. Perhaps he will tell us a little more about that in due course.

Mr Thomas: Now that the hon. Gentleman has heard the Government Front-Bench position on his Bill, does he or does he not have the guts to force a vote on it?

Mr Chope: I certainly do have the guts. Should the matter arise, I would obviously need two people as Tellers, but it would be good to test the will of the House, if the Government are indeed as intransigent as it seems they are from what the Minister said in his short intervention.

Mr Bone: I hope that my hon. Friend is not missing the point. The shadow Minister—the hon. Member for Harrow West (Mr Thomas)—has been really helpful, because clearly the Opposition are fully behind the Bill and want to have a Division to help us. My hon. Friend should please not miss that point.

Mr Chope: A Division puts people's positions on the record. For example, the hon. Member for Manchester Central (Tony Lloyd), who says that he supports the Bill—certainly clause 1, if not all of it—might be forced into the position of voting against it, but that would then be on the record. If he wants to vote against the Bill, I hope that he will have the opportunity to do so. I cannot remember how many Bills of mine have gone to a Division this Session—my hon. Friend might know the exact number—but quite a lot of them have. I assure the hon. Member for Harrow West that there is no deal between me and the Government to discuss the Bill and for me then tamely to withdraw it, but obviously I am conscious of the fact that we can have a Division on the Bill only if it is not talked out beyond 2.30 pm. We would also need to take into account the other, equally meritorious Bills seeking debate this morning.

Nick Smith (Blaenau Gwent) (Lab): I would encourage the hon. Gentleman to have a Division on his Bill, which I see as a bob-a-job wages plan. In Blaenau Gwent we would definitely be against his plans to allow, as he put it previously,

"freely consenting adults"

to

"opt out of the minimum wage".—[*Official Report*, 10 February 2009; Vol. 487, c. 1258-59.]

I see this Bill as a miserable attempt to gouge down the wages of workers across our country. We should have a Division, and we should vote against this miserable Bill.

Mr Chope: I do not have time to look up the unemployment figures in the hon. Gentleman's constituency, but I am sure that all those without jobs who are seeking them will be really pleased to know that they have his full-hearted support for opening up the labour market and giving them better employment prospects.

This Bill is about the fundamental freedom, liberty and right to work. It also has consequential benefits for the competitiveness of our economy. Clause 1 would save quite a lot of money for the taxpayer, and the other clauses would generate more employment and less dependency on benefits. This is a really good Bill, and I commend it to the House.

10.38 am

Tony Lloyd (Manchester Central) (Lab): The hon. Member for Christchurch (Mr Chope) has an almost unique parliamentary role. I am never quite sure whether he is like an interesting piece of baroque architecture—delightful to look at, although I am not absolutely certain what the real purpose is—or whether he is at the dangerous end of the Conservative party, dragging it back to where it feels most comfortable. I feel sometimes that he is the latter. I know that he will be disappointed by the Minister's indication of opposition to the Bill, but I hope that the Minister will indeed oppose it, because although I would support parts of it, this Bill is essentially a retrograde, unfortunate and, in the end, quite dangerous little piece of social legislation.

Nevertheless, there is a real debate to be had on these issues. It is a debate that ought to take place from time to time, if only to remind people of two things: first, why we need the national minimum wage; and secondly, just how unsympathetic and unreconstructed parts of

the parties of Government are on such issues. The hon. Member for Christchurch and one or two of his hon. Friends who are going to speak later represent a significant body of opinion, not in the nation generally, but in the Conservative party. That ought regularly to be put on record to remind my own constituents and, for example, those of the hon. Member for Shipley (Philip Davies) just what a rotten, nasty party the Conservative party can be.

Philip Davies: I would be grateful if the hon. Gentleman could get away from the insults and on to the issues. Given that the national minimum wage has clearly been such a triumph, will he tell us what the adult and youth unemployment figures in this country were when the minimum wage was introduced, and what they are now?

Tony Lloyd: Those were not insults; they were matters of fact. We can debate facts, but we should not trade insults; that would not be reasonable. Mr Deputy Speaker, I am sure that you would deplore my insulting hon. Members, and the fact that you did not call me to order suggests that the basic fact that I have just described has now been established and placed on the public record.

Let us talk about the real impact of the minimum wage—

Philip Davies: What are the figures?

Tony Lloyd: Will the hon. Gentleman please be patient?

I shall begin by examining the Bill sequentially. I want to talk first about the part of it that I agree with. The hon. Member for Christchurch began his speech by talking about the impact of clause 1, and I had a lot of sympathy with what he said. We really ought to have a serious debate about this in the House, and I have urged the previous Government and this one to take the issue seriously. It makes no sense in a country such as ours to force into unemployment those asylum seekers who are willing to work and to make a contribution to their families, the wider community and the taxpayer. Sometimes, they are forced into worse than unemployment. As we know, the fact that we push asylum seekers into destitution is one of the drivers of prostitution and some types of crime. The hon. Member for Wellingborough (Mr Bone) made a valid point about women who are being trafficked into our society, and we ought to take that issue seriously.

Governments classically respond to the argument in favour of allowing asylum seekers to work by pointing out the danger of creating a magnet that will attract further waves of asylum seekers. The hon. Member for Christchurch was absolutely right to say, in response to the hon. Member for Shipley, that the problem with our asylum system is not that it operates as a magnet, but that we deal so slowly and incompetently with the processing of asylum cases. This was the case all through the years of the Labour Government, and, sadly, it is still the case now. We need rapid resolution of those cases.

Let us take the example of a woman who is legitimately claiming asylum because she has been forcibly trafficked from the far parts of eastern Europe, or wherever, and forced into prostitution in our society. She has no capacity to return home and genuinely fears for her life and for her family back home. We need to be able to say to that woman, "Yes, you are a genuine asylum seeker and you can play a constructive role in our society." We also need to say to the illegitimate, bogus asylum seeker, "Please return quickly to where you came from."

There is real merit in having this debate. Even though I disagree fundamentally with everything else in the Bill, I profoundly agree with the hon. Member for Christchurch that we need to have a debate on this subject. We need to debate not only what a civilised society ought to be, but what is practical and proper for our society. In fact, I would go further and suggest that there should be an expectation on legitimate asylum seekers to begin a process of finding work, because that shows commitment to the values and the ethos of our society. That would create a good two-way set of responsibilities, which relates to the proposal in clause 1. Alas, the rest of the Bill does not have the same merit as that first part.

It is always delightful to listen to the hon. Member for Christchurch. He always offers us an entertaining race around the now rather worn and old economics textbooks from the 1920s, the 1870s and the 1850s. Those books are now a little thumbed at the corners, but they are still interesting to read because they shed some light, not so much on the working of a real economy in the 19th century, and still less in the 21st, as on the thinking of those who suggest that the Bill is about freedom. It is not about freedom; it is about taking away social protection for vulnerable people in our society, and that is what we need to talk about.

That is the nub of the intellectual debate about the merits of free-market economics versus what the hon. Gentleman would call the crushing hand of state socialism. Were the minimum wage an example of the crushing hand of state socialism, some Labour Members might be a little happier with the direction of travel in our society's support for the vulnerable and its recognition of the relationship between those in the most powerful economic positions and those at the bottom of that pile.

Mr Nuttall: I am pleased to hear the hon. Gentleman's welcome for clause 1. Does he think that asylum seekers and others covered by the clause should have the right to work for less than the minimum wage if other people should not?

Tony Lloyd: No. If that is what the hon. Member for Christchurch is proposing, I have absolutely no sympathy with that view. The reason for having a floor is the ambition to prevent the undercutting of wage rates for individuals, whether they are born nationals, as the hon. Gentleman would have it, or asylum seekers. The suggestion that the hon. Member for Bury North (Mr Nuttall) has just made lacks merit because it would erode the whole concept of a minimum floor below which people ought not to be expected to fall.

I want to deal with the argument put forward by a number of Conservative Members that it is legitimate to do away with that floor. They have cited reasons of competitive pressure and the black economy, to which the hon. Member for Northampton South (Mr Binley) referred. Of course we know that the black economy exists and that it exerts a dangerous influence at the bottom end of the labour market, but we do not want to make it a model for how we deal with the whole economy. We should be seeking to get rid of the black economy, rather than institutionalising it by getting rid of social protection relating to wage rates.

[Tony Lloyd]

That same black economy erodes health and safety standards at work. In my somewhat distant youth, I worked for companies that thought health and safety was an optional extra, and that put my life and those of other employees seriously at risk. The minimum wage and health and safety legislation all form part of the same debate, which we have had many times. I know that different views exist, but I believe in a proper floor below which people in a decent society should not be allowed to fall.

Mr Binley: Does not the hon. Gentleman recognise that most employers want good employees? If they want good employees, they have to look after them. The great majority of employers in this country, certainly in the small and medium-sized enterprise sector, think in that way. The suggestion that all employers are evil, which seems to be emanating from the hon. Gentleman, is absolute nonsense. Will he admit that?

Tony Lloyd: I do not have to admit that, because I have not indicated that that is what I believe. Of course there are many good employers, and they should not be forced to face competitive pressures from the unscrupulous ones who would undercut them. That is the reality in the black economy; it would also be the reality if we had a differential or arbitrary minimum wage rate. That would result in the good employer who wanted to pay his or her employees a decent wage being undercut in the marketplace by the rogue employer. Of course I am not claiming that rogue employers are in the majority, but, sadly, they exist in many different areas of our national life. That is why we have to have floors through which people must not fall.

The hon. Member for Shipley asked me about unemployment rates. I cannot quote him the figures, but I am sure that when he makes his own speech, he will probably have them to hand. Let me tell him something that I know he will disagree with profoundly: nobody has demonstrated any link between the levels of unemployment in our society and the introduction of the national minimum wage. The last person who I think tried to put that concept forward was the former Member for Folkestone and Hythe and sometime leader of the Conservative party—perhaps I should call him the noble Lord Howard. He once claimed in a debate about the minimum wage that it would see the loss of 500,000 jobs, only to claim later that it would result in 1 million or 2 million job losses. When it was brought in, in 1999, we did not see that impact on employment; indeed, we saw employment levels rising.

Mr Bone: As usual, the hon. Gentleman makes a powerful speech in line with his beliefs. To put the record straight, he talks about what the then Michael Howard said, but at that time the Labour party was promising to bring in the minimum wage at a much higher rate than it actually did. If it had been brought in at that higher rate, it would have resulted in more unemployment.

Tony Lloyd: That simply does not square with the facts. I lived through that period and, more importantly, I was a member of Labour's employment Front-Bench team that began to develop national minimum wage policy and I can think of no occasion when we over-promised on the national minimum wage. Indeed, the hon. Gentleman should know that some people now feel that the Labour party under-promised what it might have done across a whole range of issues in those early days; it certainly did not over-promise. If he went back to check the record, he might want to acknowledge that he got this wrong.

Mr Thomas: As ever, my hon. Friend makes a strong and powerful case. Given his experience in helping to devise the minimum wage policy, does he recall the decision at the conference of the Federation of Small Businesses in 1997 to support a national minimum wage sensibly negotiated? Is that not a sign of the support that existed for the introduction of the national minimum wage at the time and a reason why it continues to have strong support from business?

Tony Lloyd: To be totally frank with my hon. Friend, I do not remember that, but I am very grateful to him for reminding me. He makes a very important point. The idea that the minimum wage is some kind of creation by the ultra-left or the most luddite of trade unions is ridiculous. The minimum wage has had support and continues to have support across a whole range of different groups in our society, including groups representing small businesses. The Low Pay Commission comprises people not just from one side of the employment divide; employers are represented on it and they play a constructive part. As Conservative Members will know, those employers have been supportive of the changes in the level of the minimum wage over time.

Mr Binley: I recognise the hon. Gentleman's great experience in these matters. He will remember—I believe this to be true—that the Federation of Small Businesses did not come to that position until after the will of the Government had been made absolutely clear, when it became politic from its perspective to adopt it. Is that not the truth of the matter?

Tony Lloyd: I am in some difficulty there in that having admitted that I did not remember the FSB making the decision in the first place, I am reluctant to claim that I know how it made that decision.

Let me use the hon. Gentleman's point as an important example. He is describing circumstances where groups of people can be coerced by political pressure into making a decision that runs counter to their own best interests. That is the line of argument he adopts about the FSB—that it was dragooned by greater power into making that decision. Is that not precisely the problem with what the hon. Member for Christchurch wants in the workplace? Cannot unscrupulous employers say to weak individual employees—people weak in the sense of their bargaining position relative to their employer—something like, "I, your employer, want to persuade you that it is in your interest to drop your wages below the minimum wage"? It is very difficult to accept that as a legitimate element in the Bill, as we know that unscrupulous employers do that to their employees. I think the hon. Member for Christchurch referred to "the regular plodders" or used some term like that. Some people in our society do have genuine social difficulties in negotiating their wages and they need our protection; they do not want us to take away the minimum floors that protect their wage rates.

Mr Binley: I thank the hon. Gentleman again for being generous in giving way, but is he not perverting the meaning of the clause, which makes it quite clear that this happens only when an employee, not an employer, wants to argue for a lower wage. Is that not the truth of the matter? Is the hon. Gentleman saying that unscrupulous employers throughout the nation will go out to their employees and in some way victimise them and force them to argue for that? Is that what he expects us to believe?

Tony Lloyd: I do not know what the hon. Gentleman believes as it can be quite difficult to work it out, but I suspect that we do not have much in common on these issues. Yes, I do think there is a real danger of that. I know it, as I have worked for employers who were extremely dubious in their labour practices. I know that when people are young and inexperienced and they need the work, it is difficult for them to say to an employer, "No, I will not do that." The hon. Gentleman might be surprised to find out that that is why trade unions grew up—because people needed collective protection. It is why trade unions and political parties like the Labour party campaigned for a national minimum wage—because people at the margins in our economy need that collective support, through collective action or by legal support. Indeed, it is why the Government Front-Bench team has been persuaded of the need for a national minimum wage. If the Government did not believe in the need for a basic floor below which people cannot fall, they would not have opposed the Bill and supported the national minimum wage.

There is a gulf in understanding of how the world of work works between the hon. Member for Northampton South and myself—and ever may it remain thus, as our experience might have been different. Perhaps he has met only benign and happy employers—I am sure he was one of them—but I have met some quite malign and quite nasty employers. One day, I will perhaps buy the hon. Gentleman a half pint of our subsidised beer and tell him all about it.

Mr Binley: I look forward to that and thank him for the half pint. Does the hon. Gentleman not recognise, however, that unless an employer has working people who want to do the job and want to be involved, he will not get the sort of work out of them that he clearly needs—especially in the SME sector?

Tony Lloyd: The hon. Gentleman rightly pushes me to refer to some of the realities. Let us go back to the time before the national minimum wage. Let us go back to a time when young hairdressers in cities like Manchester were being paid under £1 an hour. Why did they take that work? Because they were young people who felt that they had to buy into the workplace. They had to accept way below any acceptable level of remuneration and way below an income that anyone could seriously live on in the hope that it would give them the experience to carry on in the trade. That was wrong then and it would be wrong if we were to bring it back again. That is the reality of what the Bill would do. It would take the clock back to a time when bad employers were prepared to compete unscrupulously against the better employers at the expense of their employees.

I am totally on board with the hon. Member for Northampton South in advocating the point that good employers work well with their employees. In many cases, good employers train, pay reasonably and provide acceptable working conditions. I have worked for good employers: but not all employers are good; not all employers are acceptable; not all employers operate proper health and safety standards; not all employers offer an acceptable wage for people to live on. That is why we have a floor through which people should not fall.

Philip Davies: I assume from the hon. Gentleman's earlier comments that he accepts that unemployment is higher now than it was when the minimum wage was introduced, although he could not bring himself to say so. Does he also accept what was said by my hon. Friend the Member for Christchurch (Mr Chope), namely that if the level of the minimum wage is so important, the hon. Gentleman will support the Government in ensuring that people who earn it need not pay any income tax or national insurance?

Tony Lloyd: As I do not support the Bill in the first place, I am not sure how I could be expected to support certain parts of it. However, the ambition to remove taxation from the lowest paid is an excellent one. If the hon. Member for Shipley will support me in trying to ensure that the higher paid make a bigger contribution, it will be easy for us to relieve the low paid of their burden.

The hon. Gentleman's intervention has led me to another point that I was going to make. If the hon. Member for Christchurch were willing to drop most of his Bill while incorporating my proposal for a high pay commission to ensure that the top rate of pay is reduced, I would feel able to support the first part of it, and we might then be in business. However, I suspect that my views on high pay are as hard for him to accept as his views on low pay are for me to accept.

Let me say something about the economic arguments that the hon. Member for Shipley has invited me to consider. When the Better Regulation Executive investigated the impact of the national minimum wage, it found no link with levels of employment and unemployment. I fear that unemployment will begin to increase, but an interesting aspect of the way in which the labour market has operated recently is the fact that those in work have remained in work much more consistently than was the case during earlier recessions. That is almost certainly partly due to levels of flexible working, but it also belies the proposition that the minimum wage has served as a disincentive to employment, because had it done so the existing work force would have been undercut by would-be entrants. That throws a cloud of doubt over the argument about the operation of free markets at the bottom end of the labour market.

A more important finding by the Better Regulation Executive was that paying a national minimum wage conferred an overall benefit on our economy. The minimum wage has important regional impacts, which is why the idea of a regional differential is ridiculous. The clue lies in the phrase "the United Kingdom's national minimum wage". We are indeed a United Kingdom, and the national minimum wage is national. There are good and profound reasons for that. The national minimum wage

[Tony Lloyd]

prevents the dislocation, already too prevalent in our economy, between the overheated south-east and other parts of the country.

I cannot go as far as the hon. Member for Christchurch in describing those other parts of the country as the "more remote" regions. Those of us who live in such regions do not feel that they are particularly remote. However, we "remoters" feel strongly that the people whom we represent and the economies in which we work should enjoy the same level of protection and the same capacity for operation of the minimum wage, partly—indeed, if for no other reason—because it is important in creating regional demand. That is one reason why groups such as the Better Regulation Executive have found that the national minimum wage is, overall, in the national economic interest.

Mr Bone: The hon. Gentleman is, again, generous in giving way.

If we view the minimum wage in terms of what it can buy rather than the actual amount involved, it is clear that it is worth a great deal more in the hon. Gentleman's constituency than it is in, say, London. Might that be an argument for two different rates? I do not know the answer, but I should like to hear what he thinks.

Tony Lloyd: That is a genuine issue for debate. It is obvious that it is much easier for someone to live on the minimum wage in, for instance, the north-west of England than in central London. That is why the Mayor of London has begun to advocate strongly—I think I agree with him on this—the introduction of a living wage, which does not simply enable people to operate at or below some notional national level, but recognises such factors as housing costs. However, we must still maintain a national floor through which people cannot fall.

Nick Smith: I congratulate my hon. Friend on what I consider to be a sensible defence of the minimum wage. Does he agree that the Bill's "bob a job" wages plan would dramatically undermine it, particularly in areas such as mine in south Wales, where it helps to boost local economies?

Tony Lloyd: That is the point that I was making about the word "national". It ought to be recognised that, in one nation—whether we measure it from the tip of Scotland to the far south or from the west to the east—we are all in this together. We cannot have an economy that is dislocated. Although the last Labour Government got some things right and introduced some valuable measures, they failed to wrestle successfully with the regional impact of economic decisions. The dash for the City over-emphasised the needs of a particular region of the south-east at the expense of the rest of the economy. The level of the pound proved disadvantageous to manufacturing industries: it hurt south Wales, parts of the north of England, and even parts of the traditionally industrial midlands. There are significant reasons for our failure to operate entirely effectively in relation to the national economy, and, as my hon. Friend suggests, we should not lose sight of the important role of the national minimum wage in that context.

Let me say something about the training opt-out. The hon. Member for Christchurch did not mention the fact that when the minimum wage was first introduced in 1999, there was also a six-month training discount called the development rate. In 2005, the Low Pay Commission recommended that it should be discontinued, because it had become totally discredited. Not only was there no evidence that employers claiming the discount were training employees; there was evidence that they were not training. As my hon. Friend the Member for Harrow West (Mr Thomas) pointed out to the hon. Member for Christchurch, the Bill contains no provision guaranteeing the quality of even the quantity of training.

There are important issues that the House should debate in relation to how we train in our society. I have strong views with which even my party's Front Benchers may not always agree. For instance, I still believe that we should consider imposing a training levy on those who will not train. As things stand, a freeloading bad employer can undercut a good employer by refusing to train, and can then poach the product of the good employer's training. We ought to think about those issues, but I do not think that we should do so in the way proposed by the hon. Gentleman. I do not believe that the Bill will produce different results from the old development rate. There were good reasons for getting rid of that, and I think that he should think carefully about what he has advocated in his Bill. It simply would not work. It would operate as a perverse incentive for rogue employers, and I do not think that we should give them incentives.

This has been an interesting debate, and I shall now draw my remarks to a conclusion as I know that other Members wish to contribute to it. In a way, I hope the hon. Gentleman does press the Bill to a Division, as it will be interesting to count Members through the Lobbies, although I suspect that there will not be enough of us around today for that to be a defining moment in the political history of our Parliament and the economic history of our society.

I do not think the hon. Gentleman is a mean-spirited human being; I say that genuinely, although I cannot say it of all the people who advocate effective gouging of the minimum wage structures. I think his view of how the modern economy works is profoundly wrong, however. It is important that we debate this matter from time to time because although some Conservative Members do not believe this, it is a tough, tough world out there for those at the bottom. We should not return to a tough world in which young kids are paid less than £1 an hour, and adults are paid between £1 and £2 an hour, because that kind of society is both irresponsible and, at best, amoral. We want a society that has basic social standards for all our citizens, and where we can say to our young people, "Get into the world of work because you will be paid well." We want a society where the "regular plodders" to whom the hon. Gentleman referred are not forced to work hour after hour to take home an unacceptable level of pay, but can be paid a dignified wage because they contribute in the best way they can. That is the kind of society to which we ought to be aspiring, and it is not so very difficult to achieve, but it would be a lot more difficult if we were to accept the premise of the Bill.

Mr Edward Leigh (Gainsborough) (Con): On a point of order, Mr Deputy Speaker. Have you received any request from the Government this morning to give an urgent statement on the crisis in the eurozone? This is urgent and important. President Sarkozy and Chancellor Merkel are locked in discussions, the Commission is battling to reach an agreement, the Greeks are being prevented from devaluing, and our own people are threatened with having to pay for a £1 billion bail-out. Are Treasury Ministers coming here today to give a statement so we can question them on this important matter?

Mr Deputy Speaker (Mr Lindsay Hoyle): I have no knowledge of a statement to the House being prepared; I have not been given notice of that. As the hon. Gentleman knows, it is not for me to ensure such a statement is given; that is up to the Government.

Mr Binley: Further to that point of order, Mr Deputy Speaker. We may be in a very serious crisis indeed. Greece is no doubt bankrupt. In addition to our international obligations, our banks are owed tens of billions of pounds, and that will impact massively on Britain's own financial standing. How can we use our abilities through you, Mr Deputy Speaker, to ensure there is a statement not later than Monday of next week?

Mr Deputy Speaker: The hon. Gentleman knows that that is not a point of order and it is not a matter for the Chair, but I am sure people in high office are listening, and that his comments will have been taken on board.

11.13 am

Philip Davies (Shipley) (Con): It is bizarre that the hon. Member for Manchester Central (Tony Lloyd) thinks that it is appalling for young people to be going out to work for low wages, and that he would therefore prefer them to be sat at home watching Jeremy Kyle and "This Morning" and visiting their local amusement arcades, rather than having gainful employment. That is a matter for him, of course, and we all have our own views on what we think is best for people to do. I think that working is better than doing as the hon. Gentleman suggests, but he obviously disagrees.

I have risen to support my hon. Friend the Member for Christchurch (Mr Chope), and to commend his courage, because there are certain political views people are not allowed to hold. The principle of free speech fell away in this country a long time ago, and it certainly went out of British politics a long time ago. Over time, a situation has arisen whereby we are not allowed to express certain views in polite company, such as questioning the merits of sex education in schools. Also, in the previous Parliament nobody was allowed to question the benefits of the Climate Change Act 2008.

Mr Leigh: It is impossible to have any sensible debate on the national health service, too, as it has become a kind of religion. We have had a catastrophic health statement this week, ruling out competition. There are clearly no-go areas in the arena of public debate, on which the two Front-Bench teams join together so there is no proper debate as to how we can best take matters forward. On the NHS, for instance, the social insurance systems on the continent are far superior and give patients a much better deal, but there is no proper debate of how we might introduce such insurance systems.

Philip Davies: Mr Deputy Speaker, you would not want me to start talking about the national health service in this debate, so I shall resist my hon. Friend's tempting offer, but he is absolutely right that it is considered unacceptable in politics to argue for certain unpopular causes. I always ask people to celebrate anybody in politics who will stand up and say something controversial or unpopular, because I think they are doing a great service to our democracy, even though they may be insulted by Labour Members. I therefore commend my hon. Friend the Member for Christchurch on bringing this important issue before the House, and for trying to generate a grown-up debate about the benefits, or otherwise, of a fixed national minimum wage that people are not allowed to get out of.

I have always believed that a political consensus is usually a precursor to a disaster. Every party in this House supported joining the exchange rate mechanism, yet it turned out to be a complete disaster. The setting up of the Child Support Agency had cross-party support and it was seen as a great thing, but it has been a complete fiasco. Everyone across the political divide has had to support the setting up of tax credits, too, yet anybody who has had any dealings with the system knows that it has been a complete fiasco as well. The fact that there is political consensus in support of a measure does not mean to say it is good, therefore; it just means to say the measure is likely to be politically expedient.

Mr Chope: My hon. Friend makes a good case. Does he agree that that problem is not confined to our Parliament? The political consensus getting it wrong is precisely what happened in Greece: there was cross-party consensus that the country should join the euro, and what a mess they have made of it!

Philip Davies: My hon. Friend is absolutely right. We should never allow political expediency to prevent a serious debate about what is right, which is why I particularly commend my hon. Friend for raising this issue.

I apologise for not having been present in the Chamber for the beginning of my hon. Friend's speech. He may well have said then what I am about to say now, but if he did not, I certainly wish to do so. We must acknowledge that the introduction of the national minimum wage has been a huge benefit to a lot of people in employment. As a result of the national minimum wage, the pay of a lot of people who were being paid a low wage went up, so it has been a great success for them. It would be churlish to argue otherwise. I certainly would not pretend that the national minimum wage has been a total disaster for everybody, because it clearly has not. However, just as I would not argue that, I think it would be churlish for Labour Members to put on their political blinkers and just see the benefits that have been accrued by certain people, without being open-minded enough to look at the potential downside of a national minimum wage in its current form. If Labour Members do not think there are any downsides whatever from having a national minimum wage, they are either totally blinkered in their view or they do not live in the real world.

Mr Thomas: Given the hon. Gentleman's strong support for the Bill, does he think there should be a vote on it, or will he encourage his hon. Friend to back down in the face of his Front-Bench team's opposition to it?

Philip Davies: The hon. Gentleman should know that my hon. Friend is never swayed by my opinion on anything, so whatever I say will not influence his decision. I do not know why the hon. Gentleman thinks everybody else is as lily-livered as he clearly is on controversial matters. All I can say to him and to my hon. Friend is if my hon. Friend does decide to press the Bill to a Division, I will vote for it. I do not think I can make my position any clearer than that.

When the national minimum wage was introduced it was not supported by my party or the Liberal Democrats, as we had a principled objection to it. Like my hon. Friend the Member for Christchurch, I am interested to hear the Minister's view on this. Mine is that that principled objection turned into expedient support for the minimum wage, but I am sure that the arguments that were relevant then remain relevant today.

We were told that the minimum wage would not make any difference to employment levels. Given that over the following eight years there were higher levels of employment and lower levels of unemployment, it was taken as read that the national minimum wage must have no negative impact on employment. Given that we all want people to be properly rewarded for the jobs they do and that no politician wants to argue for lower pay for people, we have a political consensus on this matter. However, during those eight years there were high levels of economic growth, so it was inevitable that employment levels would rise in that period, with or without a national minimum wage. This clearly has not crossed the minds of Labour Members, but even more employment may well have been created if there had not been a national minimum wage. I used to work in the supermarket industry and retailers in that sector made it clear that about 100,000 extra jobs would probably have been created without a national minimum wage during that time. The fact that the employment level rose during that time does not mean that it was caused because of the minimum wage; it probably occurred despite the impact of the minimum wage.

The real test of a national minimum wage was always going to come when we came to an economic slow-down. It is very easy for employers to maintain those employment rates in good times, but the test was always going to come during a downturn. There are legitimate concerns now about the effect of the national minimum wage, and it would be irresponsible for us to ignore them, even if it would be expedient to do so.

I must make the point that I was never supportive of the principle of the national minimum wage. I think that the payment of an employee by an employer should be a private matter and that if someone is happy to do a job for a certain wage, it should not be any business of the Government to prevent them from doing that job. However, I have to accept that that philosophical argument was lost some time ago, so my concerns are now based on the minimum wage's practical and unforeseen impact on some of the most vulnerable people. The people who are most disadvantaged by the national minimum wage are not the unscrupulous employers. As my hon. Friend the Member for Christchurch so eloquently said, such employers are still alive and kicking in the black economy; they are still employing people and paying them below the minimum wage. The people who are most disadvantaged by the national minimum wage are the most vulnerable members of society. My concern is that the minimum wage prevents those people from being given the opportunity to get on the first rung of the employment ladder.

The great myth when the minimum wage was introduced was that people who are paid low wages are paid those low wages for the rest of their career. Many people have been paid a low wage to begin with and that has given them some work experience which has allowed them to move up the employment ladder to get higher quality jobs and better wages. My concern is that the first rung on the jobs ladder is far too high for many of the most vulnerable people ever to reach and they are thus unable to move further up. I shall set out an example that I am able to give, having spoken to people in this field.

Let us consider an employer who needs to take someone on and can choose between a former prisoner and someone who has never been to prison. In the real world, who is the employer going to take on, given that they would have to pay both these people the same wage? I suggest that 99 times out of 100 the person who has not been to prison will get the job. As the employer would have to pay both these people the same wage, why would they give the person who has been to prison a chance? The only way the former prisoner would be given a chance by the employer is if the employer was able to say, "I'll give you a smaller amount for a certain period of time and we'll see how it goes. If you prove yourself, I'll move you up." The employer is not being given that opportunity as that flexibility is not available, and that is preventing certain people from being able to access employment. Consequently, many of these people—even the ones who want to get a job—cannot find employment and so they commit crime again and add to the problems in society.

I went to visit a charity called Mind in Bradford a few years ago. One of the great scandals that the Labour party would like to sweep under the carpet is that in this country only about 16%—I stand to be corrected on the figure—of people with learning difficulties and learning disabilities have a job. The others are unemployed, but why is that? I spoke to people at Mind who were using the service offered by that charity, and they were completely up front with me about things. They described what would happen when someone with mental health problems went for a job and other people without these problems had also applied. They asked me, "Who would you take on?" They accepted that it was inevitable that the employer would take on the person who had no mental health problems, as all would have to be paid the same rate. Given that some of those people with a learning disability cannot, by definition, be as productive in their work as someone who does not have a disability of that nature, and given that the employer would have to pay the two people the same, it was inevitable that the employer would take on the person who was going to be more productive and less of a risk. The situation was doing the people with learning difficulties a huge disservice.

As I said at the start of my remarks, the national minimum wage has been of great benefit to lots of low-paid people. However, if the Labour party is not even prepared to accept that the minimum wage is

making it harder for some of those vulnerable people to get on the first rung of the jobs ladder, we will never get anywhere in trying to help these people into employment.

Tony Lloyd: The hon. Gentleman's arguments are always seductive—they are wrong, but they are very seductive. How low would he be prepared to drop those wages? If someone with learning difficulties was only a quarter as productive as the competing would-be employee, would he be prepared to drop their pay rate to a quarter of the minimum wage? Should it drop to less than a quarter? What is his floor?

Philip Davies: I made my position clear in my earlier remarks but, given how uninteresting I am, I forgive the hon. Gentleman for perhaps nodding off during that section. I did make it clear at the outset that I did not agree with the national minimum wage in principle. I said I thought that what somebody was prepared to work for and what somebody was prepared to pay was a private matter between two people and it should not be interfered with by the Government. The big difference between him and me is that I would much prefer the person with the learning disability to be given the opportunity to get a job, do something worth while and contribute in a way that they want to, whereas he would prefer them to be sat at home, unable to get a job in the first place. He may think that he is taking the moral high ground by believing that it is far better for these people to be sat at home unemployed without any opportunity, but I do not

Tony Lloyd: The hon. Gentleman avoids the question. If there is no floor, people will be paid wages that would be an outrage in our society. If he wants to protect people, he can do so in other ways—he can offer supported employment and he can offer subsidised employment. As you know, Mr Deputy Speaker, our society has on many occasions offered the concept of the "sheltered workshop"—that may not be a good modern term—and we ought to think about that.

Philip Davies: I will tell the hon. Gentleman what is an outrage. It is an outage that in 1997, 47,000 people had been on incapacity benefit for five years or more, but by the time his party had ruined the country that figure had risen to 1.5 million. That is an outrage that he should be reflecting upon. He should think about the fact that so many people were either priced out of the jobs market or were just out of that market as a result of his Government's policies. That happened either because of the national minimum wage or because the benefits system penalised people for going out to work. That is the real outrage, rather than what he is pointing out.

Mr Chope: My hon. Friend is making a brilliant contribution. Does he accept that one of the tragedies is that this situation was forecast? Back in 1998, the Low Pay Commission said that

"minimum wages may cause a transfer of jobs between groups such as the substitution of more skilled for less skilled workers".

The less skilled workers are the ones who have lost out as a result of the minimum wage.

Philip Davies: My hon. Friend is absolutely right. Of course, it is very easy for everyone to try to sweep such matters under the carpet, but we would be doing this place a great disservice if we did. I am appalled that Labour Members, who supposedly—as they claim—represent the most vulnerable in society, are perfectly happy for those people never to be given the opportunity to get a job as a consequence of Labour's policies either on this matter or on benefits.

Mr Leigh: My hon. Friend is making an important contribution and it is important that we have this debate, but let me ask him a question as a critical friend. Let us forget the fact that there is a minimum wage at the moment. Why should a disabled person work for less than £5.93 an hour? It is not a lot of money, is it?

Philip Davies: The point is that if an employer is considering two candidates, one who has disabilities and one who does not, and if they have to pay them both the same rate, which is the employer more likely to take on? Whether that is right or wrong and whether my hon. Friend would or would not do that, that is to me the real world in which we operate. The people who are penalised are those with disabilities who are desperate to make a contribution to society and who want to get on the employment ladder, but find time and again that the door is closed in their face. If they could prove themselves earlier and reassure the employer who took them on that they would not cause a problem in the way the employer might fear—I am sure that there are a lot of myths out there and that many of these people would be just as productive as those without a disability—they might well move up the pay rates much more quickly. At the moment, they are not getting any opportunities at all.

We all know that some employers break the law and pay below the national minimum wage, but it strikes me that the only way employers are likely to get away with that is if they employ illegal immigrants. If an employer is employing a British citizen or someone who is here legally and tries paying them below the minimum wage, legal action can be taken against them, they will face a huge fine and the employee can do something about it. If that employer is employing an illegal immigrant, the power rests with the employer, because they will judge that the illegal immigrant will not take up the case officially. If they do, their illegal status in this country will be exposed and they will be turfed out of the country.

One consequence of the national minimum wage is that it encourages illegal immigration into this country. Illegal immigrants know that they can get employment below the national minimum wage and are happy to do so because it is probably higher than the wage they would earn back in their country. They also know that they will have no problem getting a job because some employers will be crying out for someone whom they can pay less than the national minimum wage. I am not sure whether any research has been done on this, but I would be interested to know how much illegal immigration into this country has come about as a result of the introduction of a national minimum wage.

Whatever the effects on employment of a minimum wage are in general, its effects in a recession must be worse. My hon. Friend the Member for Christchurch may well have made this point before I entered the Chamber, as I was a few minutes late, but people will recall that at the start of the credit crunch, or recession,

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a couple of companies—my hon. Friend, who is more knowledgeable on this than I am, will correct me if I am wrong, but I am sure that those companies were JCB and Corus—told the people working there that the wage bill needed to be reduced by 20%, so either 20% of the staff could be made redundant or everyone could take a 20% pay cut. One way or another that wage bill had to be reduced. If I remember rightly, the workers in those places—JCB sticks in my mind in particular—got together and voted to take a 20% pay cut. They made that choice themselves. Rather than being made redundant, they chose to take a pay cut.

Mr Bone: My hon. Friend is making a very powerful speech, but does he agree that a 20% pay cut is not a 20% cut in take-home pay for those people who take the cut, because they save on the tax, and is more than a 20% saving for the employer because there is not the same on-cost? It helps both ways, but it is not quite the same.

Philip Davies: My hon. Friend is right and reinforces my point. Those people decided they would prefer a 20% cut to risking a 20% chance of being made redundant.

Mr Leigh: Again, it is very important that we tease out these arguments. Those people took a pay cut, but presumably it still did not reduce their wage below the minimum wage. What worries me about my hon. Friend's argument is that although I know the Bill says that everything will be voluntary, will there not be massive pressures from employers? Might they not tell staff that they are in awful trouble and ask whether they will consider taking less than the minimum wage? Might they not say to a disabled person, "You're not quite so good at doing this job; will you please take less than the minimum wage?" Although the provision is ostensibly voluntary, there will be pressure on the employed to take less than the minimum wage.

Philip Davies: My hon. Friend might think that such choices should be available only to people who are highly paid, but a firm in which all the staff are paid the minimum wage might be faced with the same predicament. Why does he think that the only people who should have the choice are highly paid people? Why should more lowly paid people not have the same option to take a pay cut or to be made redundant? Why does he want to deprive them of that choice? Why does he think that only highly paid people are capable of making that decision? Why are not more lowly paid people capable of doing so, if they feel it is in their best interests? To force those people to be made redundant in such circumstances is, I think, an outrage. It is an outrage that we would not allow them to make the choice themselves. The whole principle is that the Government and state know best and know what is best for everybody, so they will not even allow anybody to make the choice for themselves.

Mr Chope: My hon. Friend knows that our hon. Friend the Member for Gainsborough (Mr Leigh) can be a bit paternal at times, but I wonder what he would think of what happened in Ireland? Owing to the centralised situation to which my hon. Friend the Member for Shipley (Philip Davies) refers, the Government decided to reduce the minimum wage in order to get out of a financial hole.

Philip Davies: My hon. Friend raises an interesting point. As I have said, I have lost the philosophical argument and so I think some of the practical arguments should be explored. He pre-empts my speech—I am not sure whether he has been looking over my shoulder—because I was about to make the point that, although a national minimum wage might well be sustainable during periods of economic growth, the Government ought to consider introducing some flexibility to the system during an economic downturn. For example, during a recession they could consider suspending the minimum wage or reducing it. If we are to try to help people into employment during difficult economic times, it is obvious to everybody—bar Labour Members, it seems—that it will be easier without a national minimum wage.

Let me return to the point I made in an intervention. The Opposition have based their whole policy on a number of things on the argument that if we increase the cost of something as much as possible, we will reduce its consumption. For example, the argument goes that if we increase the tax on tobacco and alcohol, we will have fewer people smoking and drinking alcohol to excess. The same principle must apply to employment: if we increase the costs of employment, we will see a reduction in it. That follows the same logic. If the Opposition have decided that if we tax something more, we will not see less of it, I would welcome their conversion, but they cannot have it both ways. They cannot say one thing about tobacco and alcohol and think that the principles are somehow completely different as regards employment.

I want to return to the point made by my hon. Friend the Member for Christchurch about the tax and benefits system, because he was on to something. He powerfully made the point that many people who are self-employed in this country do not earn anything like the minimum wage, particularly when their business faces financial problems or uncertainty. I never hear Labour Members speaking up for those people and arguing that they are being underpaid. It is usually those people who are criticised by Labour Members for trying to reduce the wages of their staff, glossing over the fact that the person who runs and owns the business may well not be making any money at all at that time. It comes back to a point made by my hon. Friend the Member for Northampton South (Mr Binley) about the attitude of Labour Members. I will be charitable and put it down to a simple lack of understanding of what it is like to run a business. I am sure that they are not really nasty people; they are just misguided. They do not understand, because so few of them have ever employed anyone, run a business or faced the pressures of that. They simply do not understand what it is like.

Tony Lloyd: Will the hon. Gentleman give way?

Philip Davies: I have given way enough to the hon. Gentleman. I want to crack on because other Members want to speak. I put Labour Members' attitude down to their being misguided. I know that the hon. Gentleman was a university lecturer. I am not sure that I class that in the wealth-creating sector. Perhaps we will debate that in the Tea Room afterwards.

Labour Members have the attitude that basically the only way for businesses to make a profit is to screw the customers and the employees into the ground as much as possible; that that is the secret for businesses in making as much money as possible; and that, if it were not for the Labour party intervening at every possible opportunity, across the country the customer and the employee would be squeezed and fat cat businesses would make massive profits. I genuinely think that that is their view of the world. That may be the view in the Victorian age that the hon. Gentleman lives in, but in the modern world that is not how business works. That is not how to make money as a business.

In the real world today, the hallmark of successful companies—the thing that they have in common—is that they look after their customers and their employees. The thing that failed businesses have in common is that they do not look after their customers and their employees. That tends to be what differentiates successful and failed businesses. I am sorry that, still in this day and age, the Labour party has not woken up to the fact that, to be successful in business, people have to look after their staff and customers and that, if they do not, they will go out of business.

Jacob Rees-Mogg: I was concerned about my hon. Friend's attack on the Victorian age, which was one of the finest ages in British history, when most employers were benevolent, kindly, good and not out of a Dickens novel: they were more Trollope than Dickens by and large.

Philip Davies: I can always rely on my hon. Friend to speak up for the Victorian age. In fact, he usually speaks up for an age before the Victorian age, so I commend him for being so modern, but he is right. In passing, I should say that I know that better than most, because in my constituency, I have Saltaire, which is a world heritage site made famous by Sir Titus Salt, who had his mill in Saltaire, built houses all around the factory for his employees and was the epitome of a benign Victorian mill owner, so I thank my hon. Friend for allowing me to give a plug to Saltaire in case people are looking for a great place to visit.

My hon. Friend the Member for Christchurch made a point about tax. It is perverse that hon. Members can be so wedded to the idea that it is outrageous for anyone to be paid below £5.93 an hour, yet in the next breath be perfectly happy for those people to be taxed. If we are going to have a national minimum wage, if it is a minimum that people can be expected to earn and live on as an employment wage, surely those people should not be taxed on whatever happens to be the minimum wage.

I cannot make a logical case for why the minimum wage should be taxed. It is not that people are taxed by just a bit. People in full-time employment on the minimum wage are taxed, if income tax and national insurance contributions are combined, at about £1,500 a year. If people want to argue for a minimum wage, that is a perfectly respectable position to hold, but surely those same people should be arguing that people on that wage should not pay any income tax. If Labour Members want to confirm now that they agree that people earning the minimum wage should not be taxed, I will happily give way.

Tony Lloyd: I think that the hon. Gentleman is proposing that we should not have taxation below the levels of about £11,000 or £12,000 a year. I think I would go along with that, but there would be a consequence: we would have to find the tax elsewhere and it would probably mean looking at those on high incomes, not those on middle incomes, to fill that gap. I wonder whether he would join me in saying that there should be a bit more tax on the high earners and a lot less on the low earners. We might have a good deal.

Philip Davies: I congratulate the hon. Gentleman on his ingenuity in trying to debate his own Bill before it gets the chance to get off the ground. I will not incur your wrath, Mr Deputy Speaker, by debating that other Bill.

Mr Bone: Will my hon. Friend give way?

Philip Davies: I will in a second.

Where the hon. Member for Manchester Central and I disagree is that I think that reducing taxation stimulates the economy and ends up giving more revenue to the Exchequer. I know that he has been about a long time. He will find that, in the golden age when Mrs Thatcher was Prime Minister, she proved beyond all doubt that, if we cut the rate of tax, we can increase the receipts from tax, because it stimulates the economy.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I have looked at the Bill and I am not sure where it deals with taxation. I know that it is about the minimum wage but we are drifting into the area of taxation, to which I know the hon. Gentleman would not want to take us.

Philip Davies: As ever, Mr Deputy Speaker, I am grateful for your guidance. I am sure that you are right that I was in danger of being taken away from the main issue by the hon. Member for Manchester Central. I am happy to give way to my hon. Friend the Member for Wellingborough (Mr Bone), unless he feels that he will also incur the wrath of the Deputy Speaker.

Mr Bone: I am afraid I am stumped by the Deputy Speaker's comments.

Philip Davies: We are all grateful to you, Mr Deputy Speaker, for your guidance.

Mr Thomas: On the question of take-home incomes for low-paid workers, and given the hon. Gentleman's enthusiasm for tax cuts, I wonder whether he saw the comments yesterday of my right hon. Friend the Member for Morley and Outwood (Ed Balls), the shadow Chancellor, calling for a temporary drop in VAT. That is surely a perfectly sensible way of meeting the objectives that the hon. Gentleman wants to achieve.

Philip Davies: Mr Deputy Speaker, I fear that I would incur your wrath again if I were respond to that, so may I just say in passing that I thought what the shadow Chancellor said yesterday was drivel. I will now move on to the rest of the Bill.

My point is that the minimum wage could be reduced by about a pound an hour, which would be a great benefit to employers and may encourage some of them to take on more people. If tax rates were adjusted accordingly and those people currently earning the

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minimum wage of £5.93 an hour were taken out of tax, they would not be any worse off. Therefore, no one would be penalised by that. Those people would still take home the same rate of pay as they do now, yet it would be a great fillip to employers, many of whom are struggling; as my hon. Friend the Member for Wellingborough helpfully pointed out, there would be benefits in terms of the employment contributions that they have to make as well.

Mr Leigh: Equally, there is a perfectly coherent point, coming from a Conservative direction, that it is good that low-paid people should pay some tax, because that is how they involve themselves in the running of the country and paying for the country.

Philip Davies: I have heard that argument. I do not want to be sidetracked, but I do not agree with my hon. Friend. The fewer people at the lower end who pay tax the better. I do not see why we should expect the lowest paid in the country to contribute to taxes. They should be allowed to take home and keep what they earn. It is very rare that I say this to my hon. Friend, but I simply do not agree.

Jacob Rees-Mogg: People on the minimum wage, regardless of their income tax position, will also pay VAT, council tax, tax on cigarettes particularly, tax on alcoholic beverages and often tax by playing the lottery. They will be contributing, even on the minimum wage.

Philip Davies: My hon. Friend is absolutely right; many of those people already pay an excessive amount of tax through their spending, as he says. The best thing that we could do is give them some relief in the income tax that they pay. There is an easy way of ensuring that we can help to stimulate the economy without penalising anybody in the amount that they take home. If the only purpose of the minimum wage is to ensure that people take home a certain amount of money each week, I do not see what objection there could be to people taking home exactly the same amount of money.

I could talk about the provisions in the Bill on asylum seekers. I am not entirely persuaded of the case made by my hon. Friend the Member for Christchurch, because I wonder whether the Bill might unintentionally encourage even more people to come here falsely claiming asylum. He did go some way to persuading me of the merits of his case, so I would not allow that to be an objection to my supporting the Bill. I would be happy to support the Bill because of the minimum wage provision that allows people to choose whether they wish to be subject to it or not, and I would perhaps try to delete the part on asylum seekers in Committee. If hon. Members support the provision to allow asylum seekers to work and to be paid, they could equally support the Bill on Second Reading and attempt in Committee or on Report to delete the part on the minimum wage that they do not like. Given that that opportunity is there for them, I hope that we will not hear any weasel words from people who will be seen to have voted against allowing asylum seekers to work and to be paid. They are voting against that just as much as they are voting against anything else in the Bill. I hope that the hon. Member for Manchester Central will not try to weasel his way out of the fact the he is in danger of voting against something that he claims that he enthusiastically supports. He could try to delete the part he does not like at a later stage.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. This has been an important debate, but we are in danger of overstepping the mark. "Weasel" is right on the edge, and I do not want the debate to deteriorate. It is a good debate and we should not insult each other.

Philip Davies: For the avoidance of any doubt, Mr. Deputy Speaker, I will withdraw the word "weasel". I certainly did not mean it in any pejorative sense.

Jacob Rees-Mogg: I encourage my hon. Friend to elaborate a little on his views on clause 1, as it is tremendously important. I know that the people of Shipley will be interested, and I am pretty sure that the people of North East Somerset would like to know what he thinks.

Philip Davies: My hon. Friend tempts me. I have no problem in principle with what my hon. Friend the Member for Christchurch said in terms of people being allowed to work, particularly when they have been here for so long. There is a massive issue—the hon. Member for Manchester Central also made this point—where people have been waiting years and years for their cases to be heard and in some cases have set up a family and are still deprived from being able to work. I would prefer to tackle that by speeding up the process, rather than by accepting that the process will take ages and allowing them to work. That is my preferred solution. That is why I am not so enthusiastic about this part of the Bill. However, I will not allow that to prevent me from supporting the Bill if my hon. Friend puts it to a vote.

I appreciate that the national minimum wage is popular, I understand perfectly that it is politically expedient not to oppose it in any shape or form, and I absolutely accept that many people in this country have benefited from the national minimum wage and have seen their pay rise as a result. I do not want to undermine that point. Many people in my constituency and others have benefited from it. But in politics it is crucial that we do the right thing, even if it is sometimes unpopular to do it or to say it. It is essential that we have a proper, sensible debate about these issues to ensure that we get them right. Instead of engaging in a sensible debate where we all agree that everyone has the best interests of the public and low-paid people at heart, those who disagree with us on these matters tend to engage in some rather childish name calling and abuse, often through a lack of reason in their debates.

We want the best for everybody, and although Government Members might have different ways of going about it and a different perspective on it, nobody should be under any illusion, because we want the best for low-paid workers and people who are out of work just as much as Labour Members. I do not decry their different perspective, and I hope that they will not decry ours but instead be grown-up enough to accept that the national minimum wage has made it harder for some people to access the jobs market. If Labour Members are not prepared to accept even that, we are not going to get anywhere with trying to tackle the scourge of unemployment.

The hon. Member for Manchester Central either would not answer my question or did not know the answer to it, but the fact is that unemployment has gone up since the national minimum wage was introduced. When it was introduced, unemployment was at 1.7 million and youth unemployment was 1.1 million, and now unemployment is at 2.43 million and youth unemployment is at 1.5 million. That has happened since we have had the national minimum wage. Whether people like it or not, and whether it is convenient to point out those facts or not, they are the facts of the matter.

I am sure that all Members want everybody to have the opportunity to get a job, to develop their career and for it to flourish in every possible way, but for some people the national minimum wage may be more of a hindrance than a help, and if those people—in my view, some of the most vulnerable people in our society—consider it a hindrance and feel that for a short period taking lower pay to get on the first rung of the jobs ladder is a good thing, I do not see why we should stand in their way.

I hope that we can have that sensible debate, so that we can help everybody in society—not just people in work, but those people who are really struggling to secure their first opportunity on the jobs ladder.

11.56 am

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I rise to set out the Opposition's view on the Bill. In so doing, I congratulate the hon. Member for Christchurch (Mr Chope) on securing such a desirable spot to set out his views on how the laws of this country should change. No one in the House is remotely surprised that he should have secured this spot; he is a skilful exploiter of House procedure and an essential Friday participant.

This is probably my first opportunity to exchange views with the hon. Gentleman on private Members' Bills since our positions were reversed some time ago—he was leading for Opposition Front Benchers one Friday and I was hoping to secure the support of the House for reforms to modernise co-operative law. I fear that I cannot be as helpful to him today as he was to me then.

Let me be clear, however, that I hope that there will be a vote, and that the hon. Gentleman will have the courage of his convictions and encourage the House to divide. I suspect that he does not have the courage of his convictions and will not put his Bill to a vote. Nevertheless, during the debate he has made a number of interesting points, and I shall touch on them briefly.

The hon. Gentleman mentioned the significance of training for future of employment, and I very much agree with that. He also touched on the growing crisis of youth unemployment, and rightly challenged his Minister to explain what the Government will do if they will not support his Bill. That may have been his coded way of echoing the Opposition's call for a plan B on the economy.

The hon. Gentleman also mentioned the concern that some 20% of graduates are out of work. I simply pose the question, do we want more people in work? Of course we do, but should the Government direct the bulk of their efforts at encouraging low-paid, low-skilled jobs, as he appears—by moving this Bill—to imply they should; or should they encourage higher-skilled jobs for graduates to enter? That is one of the tragedies of the Government's refusal to provide a loan to Sheffield Forgemasters.

The hon. Gentleman lamented the delay in the Home Office's consideration of asylum applications. Sadly, with some 5,200 jobs set to go in the Home Office over the next two or three years, I suspect that his aspiration and that of most Back Benchers and Labour Front Benchers for the Government to clear the backlog of asylum applications is unlikely to be realised any time soon.

Mr Prisk: The hon. Gentleman mentioned the important issue of youth unemployment. Will he confirm that youth unemployment has fallen below the level that we inherited from the Labour Government?

Mr Thomas: I will come to youth unemployment and the wider situation in the economy a little later. If the Minister bears with me, I will come on to what needs to be done.

My hon. Friend the Member for Manchester Central (Tony Lloyd) also made a series of interesting points. He rightly drew the House's attention to the work of the Better Regulation Commission, which highlighted the complete lack of a link between unemployment and the national minimum wage. He drew attention to the membership of the Low Pay Commission, and the important role of its business representatives in analysing economic conditions and ensuring that the minimum wage reflects economic realities across the UK.

The bulk of my hon. Friend's remarks underlined the inequality in the relationship between the employer and the employee. The vast majority of businesses are highly reputable. I recognise the point made by the hon. Member for Northampton South (Mr Binley), who is not in his place, that it is very much in the interests of the business to protect and support its staff, and to help them to gain skills. The concern rightly outlined by my hon. Friend the Member for Manchester Central is that rogue employers—there were certainly examples of this from before the introduction of national minimum wage—may well be tempted to take advantage of the inequality in the power relationship between the employer and employee, and persuade the employee to take a worse rate of pay.

The hon. Member for Shipley (Philip Davies) also made a series of interesting remarks, not least in arguing that those with mental health problems or learning disabilities face greater challenges in finding work, which I accept. However, I cannot accept the logical conclusion of his argument that we, as a country, should accept that those with learning disabilities or mental health problems should accept lower wages than others.

I cannot support the Bill presented by the hon. Member for Christchurch. It would drive a coach and horses through the national minimum wage legislation and leave low-paid workers at risk of being exploited by unscrupulous employers who want to undercut other businesses that want, perfectly legitimately, to pay the national minimum wage.

Mr Bone: The shadow Minister is keen to have a vote. Therefore, if my hon. Friend the Member for Christchurch (Mr Chope) seeks to withdraw the motion, will the official Opposition oppose that withdrawal and call for a Division?

Mr Thomas: It is for the hon. Member for Christchurch to press his Bill to a Division or not. We are ready to vote, and we will vote to oppose it. I look forward to finding out whether the hon. Member for Wellingborough (Mr Bone) intends to encourage the hon. Member for Christchurch to force a vote.

Nick Smith: One of the good things about being here for this debate is that it has reinvigorated my interest in politics, because it is an opportunity to argue against the pile it high, sell it cheap attitude that Government Members have towards working families in this country.

Mr Thomas: I welcome my hon. Friend's attendance at and participation in this debate. If I am able to secure your indulgence, Mr Deputy Speaker, I hope to set out at greater length what the Opposition think would be a proper way to help working families, as opposed to this legislation.

Crucially, the Bill would enable the minimum wage to be lowered in areas of relatively high unemployment. It would undermine the national nature of the minimum wage, enabling rogue employers to compete on the basis of lower and lower wage rates. I recognise that the hon. Member for Christchurch, as he set out, has always been an unreconciled opponent of the minimum wage—he has been commendably consistent in his views. He must know, however, that with unemployment rising, the Bill would make it easier for minimum wage protection to be eroded.

As I hinted in an intervention on the hon. Gentleman, under clause 3, on the training wage, there would always be ways for employers to claim that training was being undertaken. There would be absolutely no quality control, and there would be a risk of lower wages as a result. Given the Government's acceptance of the Low Pay Commission's recommendation of an apprentice rate of £2.50 an hour, there is even less need for the training rate for which he argues. The apprentice rate recognises that someone is not yet up to maximum productivity, but the apprenticeship ensures that proper training is being undertaken, with the employer showing a genuine commitment to quality training.

The Bill would leave low-paid workers even more vulnerable to in-work poverty, and we certainly cannot support that. I gently suggest to Government Members that the minimum wage has been a huge success. It helped to raise pay for more than 2 million people when it was introduced, and some 50,000 low-paid teenagers received a boost in income when a minimum wage for 16 and 17-year-olds was introduced in 2004. When the Conservative party opposed the minimum wage back in 1997, it claimed that it would cost some 2 million jobs. In practice, 3 million extra jobs were created in the following 10 years.

Members may be interested to know how many people benefit from the minimum wage at the moment. Some 1,080,000 individuals were benefiting from it as of last October. In the south-east, where the hon. Gentleman's constituency sits, there were some 110,000 individuals benefiting from it. In Yorkshire and the Humber, where the constituency of the hon. Member for Shipley is, there were some 100,000.

Philip Davies: I am enjoying the hon. Gentleman's selective use of figures. Will he confirm that unemployment among adults and youths is now higher than it was when the national minimum wage was introduced?

Mr Thomas: I do not have the figures to hand, but I believe that the hon. Gentleman is right. What I do not accept is a causal link between the national minimum wage and unemployment. I will come to that in a moment.

Tony Lloyd: My hon. Friend might also want to confirm that the number of people in employment is far higher today than it was at the time of the introduction of the national minimum wage.

Mr Thomas: I am grateful to my hon. Friend for adding further light to the debate.

The enthusiasm of the hon. Member for Shipley for figures encourages me to set out that in London, some 80,000 people benefit from the minimum wage. I have given a series of examples that give a sense of the sheer scale of the benefit that it has brought our country.

Mr Chope: The hon. Gentleman talks about people who benefit from the national minimum wage, but I presume that what he means is that they are being paid no more than the national minimum wage. That is not to suggest that they would be any worse off without it. He is not suggesting that, is he?

Mr Thomas: I am simply setting out how many people receive the minimum wage. I will explain later the previous low rates of pay and the significance of the minimum wage.

I understand that there remains a significant problem of underpayment of the national minimum wage. The hon. Gentleman and the hon. Member for Northampton South alluded to that in their reference to the black economy. There is a real need for a continued effort to ensure proper enforcement of the minimum wage legislation. I hope that the Minister will explain how the Government intend to tackle that.

I worry that allowing employers to drop the requirement to adopt completely the minimum wage will begin to have another impact on the public purse, because the Government and the taxpayer will have to help, through the benefit and tax credits system, even more than they currently do those on poverty wages. One must ask why the taxpayer or indeed parents, as my hon. Friend the Member for Manchester Central alluded to in a sedentary intervention, must pick up the tab more than they do for the actions of rogue employers, as egged on by Government Members.

Where is the evidence that there would be a significant increase in employment if the Bill became law? In its most recent report, the Low Pay Commission says, and I paraphrase, that the evidence suggests that the minimum wage has not cut employment to any significant degree. The commission also argues that although the number of jobs overall in the economy has continued to fall, the number of jobs in low-paying sectors has increased since the end of the recession. There is therefore no significant evidence to suggest either that the minimum wage has led to job cuts or that economic recovery is being held back by the continued existence of the national minimum wage.

Undermining the national minimum wage would also have an impact on inequality in this country. We face continuing challenges to reducing inequality, and reducing the pay for the very poorest would only exacerbate inequality. Surely nobody in the House wants that.

In preparation for this debate, I read the report of the Second Reading debate on the National Minimum Wage Bill from back in December 1997. The then Secretary of State, my right hon. Friend the Member for Derby South (Margaret Beckett), highlighted the impact that the abolition of wages councils had had on jobs in the 1990s. The right hon. and learned Member for Rushcliffe (Mr Clarke), who was then probably strongly supported by the right wing of the Conservative party—he probably is not now—had originally explained, when he was a member of the Government of the noble Baroness Thatcher, that they abolished wages councils to create employment opportunities, especially for young people and, in his words, to create an

"efficient labour market, where there are the minimum of constraints on the rights of employers and employees to agree to offer and accept jobs on contractual terms that suit them both."—[*Official Report*, 11 February 1986; Vol. 796, c. 91.]

In the December 1997 debate, my right hon. Friend said:

"Abolition of the councils...saw earnings in those industries covered, particularly for the new entrants, fall in real terms. But employment in those sectors did not increase relative to the rest of industry."—[*Official Report*, 16 December 1997; Vol. 303, c. 164.]

The evidence from that period fits with more recent evidence that confirms that the national minimum wage has helped to increase employment. I referred in an intervention on the hon. Member for Christchurch to a paper published by the National Institute of Economic and Social Research, "The UK Minimum Wage at Age 22", which was authored by Richard Dickens, Rebecca Riley and David Wilkinson. The paper examines the effect of the increase in the minimum wage at age 22 and various labour market outcomes. The conclusion is that there was a 2% to 4% increase in the employment rate of low-skilled individuals, and that unemployment had declined, in particular among men.

Before the introduction of the national minimum wage, there were many horror stories about low pay. Before 1997, the low pay unit found an example of someone working in a chip shop in Birmingham and taking home just 80p an hour. It also found a factory worker earning some £1.22 an hour and a residential home worker earning just £1.66 an hour. I ask the Government Members who are championing the Bill this question: do we really want a return to those days, because that would be the impact of the Bill?

Mr Chope: The hon. Gentleman has completely misrepresented the contents of my Bill, which would not abolish the minimum wage, but enable people, by mutual consent as adults, to opt out of it if they want to.

Mr Thomas: With all due respect to the hon. Gentleman, the situation is as my hon. Friend the Member for Manchester Central set out: by definition there is an inequality in the relationship between the employer and the employee, and a rogue employer wanting to take advantage of that inequality could force wages down, undercutting the wages paid by reputable—and the vast majority are reputable—businesses in this country that want to adhere to the national minimum wage.

By the time it was introduced, the national minimum wage had considerable employer support. Indeed, just before the 1997 general election, the private company DHL carried out a survey among UK exporters, almost 70% of which were either not opposed to, or directly supportive of, a national minimum wage. The case for a national minimum wage is not just a moral argument; it is not just an argument for social justice or greater equality; it is also an economic argument. Companies that can compete internationally only on the basis of quality almost always need a secure domestic base too. The small minority of rogue businesses that undercut that domestic market share of the mainstream business community undermine the latter's ability to secure a share of the domestic market that enables it to compete on the quality that is essential to win orders in the international marketplace. Far from being a hindrance to businesses, therefore, the national minimum wage helps to ensure that employers wanting to export overseas are not undercut by other employers offering lower wages in the domestic market.

The idea that the national minimum wage is holding back employment in this country is as true as the nonsensical idea that Britain is, or was ever, in a similar economic position to Greece. That argument and those advanced today are like Don Quixote tilting at windmills. The truth is that the real danger to employment in this country are the Chancellor of the Exchequer's economic policies—creating, as they are, a vicious circle in our economy, because of his decision to cut public spending too hard and too fast. The cuts are hitting families and those on low incomes, and leading to more jobs being axed than is necessary. The county desperately needs a sensible plan B to encourage growth. That is the way to help the unemployed, not this piece of legislation.

12.17 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the shadow Minister, the hon. Member for Harrow West (Mr Thomas), who put the official Opposition's case clearly and well—I hope that he continues to do so for many years. I congratulate my hon. Friend the Member for Christchurch (Mr Chope) on introducing such an interesting and productive Bill that has found support on both sides of the House—not in total, but in part. On the decision whether to vote on the Bill today, I should say that I, as a parliamentarian, believe that the will of the House should be expressed. However, I completely understand why the shadow Minister is jumping up and down asking for a vote. He does not really care whether this gets a Second Reading. He has already written a press release that says, "Nasty Tories divided over minimum wage. The real Tories want to abolish it", which is nowhere near the truth, of course—the Bill in no way abolishes the national minimum wage. I shall, at the moment, be supporting the Bill wholeheartedly.

Tony Lloyd: Having quoted this press release—"Nasty Tories divided over the minimum wage"—the hon. Gentleman seemed to challenge the division over the minimum wage, not the concept of them being nasty Tories. Can he clarify that?

Mr Bone: I am not sure I really understand the hon. Gentleman's point, but "nasty Tory" is clearly an oxymoron.

I plan, at the moment, to support the Bill, but of course we have not heard from the most important person in the House, the Minister. Many people would say that the Minister is one of the best in Parliament, and I would entirely agree with that. In fact, others

[Mr Bone]

would say that he is the Jim Hacker of Parliament. His Ministry is the closest to the Department for Administrative Affairs in "Yes Minister", and he is responsible for getting rid of regulation and red tape, which is in part what this Bill would do. Everybody thinks that "Yes Minister" shows what really happens in this place, but of course, Jim Hacker went on to become Prime Minister, so I hope that the Minister will not forget me in future.

I refer Members to my entry in the register and the fact that I am a fellow of the Institute of Chartered Accountants in England and Wales. I want to take the politics out of this debate, or at least out of my speech. I have never doubted Opposition Members' sincere concern about low-paid people and the unemployed; I just think that the policies that they propose do the opposite of what they want. Every Labour Government have left power with unemployment higher than when they came to power. That is not because Opposition Members set out to do that or because they did not care passionately about unemployment; it is because their policies lead to unemployment.

I happen to have with me the Library figures for the constituency of the hon. Member for Blaenau Gwent (Nick Smith). In April 2006, unemployment in his constituency was 1,917, but in April 2010, when Labour left power, it was 3,202, which is an enormous increase. After a year of this successful coalition Government, the figure has dropped to 2,955. I do not say that in any way to make a political point; I just think that the policies that the Opposition pursue sound good, but result in more unemployment.

Nick Smith: I fundamentally disagree with the hon. Gentleman's point. Unemployment has gone up in Blaenau Gwent because of the recession and the banking crisis. Until then, the Labour Government did a very good job of boosting employment in my area, and I am proud of their policies.

Mr Bone: For many years I lived close to the hon. Gentleman's constituency. It is a very nice constituency, made up of fine, hard-working people; there are just not enough jobs there at the moment, and I take a different view from him on how they might be created.

I thought that I could add most to this debate by not talking from within the Westminster bubble. I spent many years before I came to this place as an employer. I employed hundreds of people in both the manufacturing industry, and the service and travel industries. What particularly attracts me to this Bill is clause 3, which deals with the training wage. One thing that has been a problem for both parties for many years is this idea that we must get more and more people going on to university, because that is the way forward and the way we must progress. However, there are many young people who do not want to go to university. They want to leave education as soon as possible, get a job, work hard and progress in a career.

In the 1990s, when I was running a travel company, I was known as the meanest boss in Britain, because I made some points at a party conference that were translated into the claim that I was paying people less than £1 an hour. That is the level of debate that really frustrates me. We are talking about the kind of young people who used to come into my office. They were really bright young people, but they just did not like school. They wanted to get out of school as soon as possible, they wanted a job, they wanted training and they wanted a career. At that time, the travel industry had a good scheme in place whereby people were taken on and paid a nationally agreed wage—at that time it was, I think, £30 a week, although we are going back to the 1990s. For part of the time that they were working, they received on-the-job training, but they also went away to be trained in a classroom, which was paid for by my professional body, which I subscribed to through fees.

What we finished up with after two years were young people with national vocational qualifications who knew everything about the travel industry first hand. Furthermore—I can say this now, but I could not say it then—those young people have progressed and are now in senior positions across the country. One of the people I employed went on to become a director of my company.

We seem to have forgotten those young people who are not necessarily wealthy and who do not want to go on to university, but who want proper training and a proper career. The problem is that, if I were an employer now, I could not take on such people without paying them the minimum wage. I could not then afford to give them on-the-job training or to let them go off to college. I would also not be able to afford to let them travel to America to see how the operation worked there, as I used to do. That is a real problem, but it is addressed totally by the Bill. I freely accept, however, that there are many things in the Bill that might need to be changed.

Mr David Hamilton: May I put the converse argument to the hon. Gentleman? He is making a good argument for his particular circumstances, but I also used to be the chief executive of a company. I employed people and training took place. In the 1980s, companies such as Wimpey had hundreds of apprentices. They were operating in competition with other companies, and they had to stop taking on apprentices because the cost factor for them was far greater than it was for their competitors. A line has to be drawn, so that the same conditions apply to all companies. Surely that is the fair way forward.

Mr Bone: I am sorry that I cannot comment on that situation; I can comment only on what I know about.

There is a problem at the moment in that we are not providing those young people who want employment but do not want to go on to university with the opportunities that they need. The Government have moved forward with the apprenticeships scheme and a training rate of £2.50 an hour, but that rate is limited to those on apprenticeships. I am talking about providing good quality training in the classroom and on the job, as well as allowing the person to earn some money. That is why I would like the Bill to move into Committee.

The hon. Member for Manchester Central (Tony Lloyd) made a good point about asylum seekers, with which I entirely agree. The Bill also contains provisions relating to that. He is an outstanding parliamentarian, and I hope that he will vote for the Bill and seek to amend it in Committee. That would get around the silly business of the official Opposition saying that the Tories

want to abolish the minimum wage. That is not what the Bill is about. I recently visited the British Footwear Association in Northamptonshire. Its representatives told me that they had a real problem getting people to come into the industry because there was no method by which to attract them. Clause 3 of the Bill could address that problem.

My hon. Friend the Member for Northampton South (Mr Binley) is an employer of many people. There is a fundamental misunderstanding on the part of people who have never employed anyone. They do not understand that the most important thing for an employer is to look after their employees. They are the company and the family, and the employer must ensure that they are looked after. The minority who do not do so is very small. Any company that does not look after its employees will go bust. It has frustrated me for years in this place that I cannot say, "Look, it is just not like that out there. We look after our employees. We want them to do the best they can. Yes, they might start on a very low wage, but we want them to progress within the business and go on to jobs elsewhere."

I shall tell the House about something that has really wound me up about this place. In the first five years I was here, I never employed an intern. Our budget was high enough to pay people to do all the work that we as Members of Parliament had to do. Our constituency postbags are now getting bigger and bigger, and when the constituencies get even larger, we will have more to do. Then the dear old Independent Parliamentary Standards Authority came along and cut the staffing budget, which meant that we had to make people redundant. This is wholly relevant to the Bill as it concerns the minimum wage and training. I have recently taken on an intern. Two people approached me who were first-class people with university degrees. By the way, if anyone is looking for a researcher, those two are still available; they are very good. The problem is that I cannot pay them anything less than the minimum wage, so they would have had to work for free.

The real scandal is that unless people's families can afford to allow them to work for free in this place, they cannot come here. There will be equally well qualified and good people, some of whom have come out of university, who cannot afford to take an internship, making them worse off when it comes to getting a job in the future. That cannot be right, but clause 3 would allow those people to be paid at least something while they are working to become interns. As I say, that is the real scandal. As for IPSA, many good things can be said about it—*[Interruption.]* No, they cannot. I withdraw that remark, Mr Deputy Speaker, as I was clearly wrong. There are some good things about IPSA, but on this issue, they have got it totally wrong.

In conclusion, my hon. Friend the Member for Christchurch has done a great job in introducing this Bill. It has created cross-party interest and arguments within the parties. The excellent Minister intervened earlier to tell him that he should not hold his breath. I also recall my hon. Friend the Member for Christchurch saying that he was previously winded when the Government accepted his Bill. I think that the worst thing that could happen to someone would be if they were holding their breath and then got winded. I expect the Minister to welcome the Bill.

12.31 pm

Mr David Nuttall (Bury North) (Con): It is a great pleasure to follow my hon. Friend the Member for Wellingborough (Mr Bone) and I thank him for the sound comments he made; and I congratulate my hon. Friend the Member for Christchurch (Mr Chope) on bringing the Bill before us. I am conscious that time is marching on and that other Members wish to speak before we hear from the Minister. I shall not, therefore, reiterate the sensible and sound arguments made in support of this Bill, which I, too, am proud to support. However, one or two points have not been mentioned, so it might be of benefit to everyone if I highlighted them.

First, let me say at the outset that my support is based on my desire to do all I can to help those people in my constituency—people in Bury, Tottington and Ramsbottom—who are unemployed. The latest figures from the Library on the number of people claiming jobseeker's allowance in my constituency as of May 2011 show that 625 such claimants are aged 24 or under; 1,055 are between 25 and 49; and 280 are aged 50 and over—totalling 1,960, which is nearly 2,000 people. Those are the people I want to help.

The great benefit that would accrue if the Bill reached the statute book is that we could make the rights of those people a reality. I mean the basic human right contained, as my hon. Friend the Member for Christchurch said, in article 23(1) of the universal declaration of human rights—that everyone has the right to work. The minimum wage legislation, however, removed that right to work from certain people, who were told, "We are sorry, but you cannot do what you would like to do. We have decided for you. We have taken that right away from you. We will tell you whether or not you can choose to work." That cannot be right.

My hon. Friend the Member for Wellingborough, who is no longer in the Chamber, did not make clear whether he was an employer at the time when the minimum wage was introduced, but I can tell the House that I was. I can speak about the effects of that legislation on the basis of first-hand experience. Credit should be given where it is due: we were given notice, and we knew what was coming down the line. The legislation had been enacted, and we knew that, in time, a national minimum wage would be introduced. So we started to plan, and to assess the likely impact on our business.

Members might assume that it would be a simple matter of having to increase the pay of anyone who was earning less than the minimum wage at the level at which it was introduced back in 1999, and of course that was the first thing that we, as employers, had to do. However, it had a knock-on effect. Ours was a small business employing perhaps 40 people, and the introduction of the minimum wage probably affected two or three of them, although I cannot recall the precise number. They were the office juniors—the staff members who were at the bottom of our pay scales. They might have been with us for only a few weeks or months.

Most of our staff were moved on, and those who started as office juniors knew that they would be able to work their way up and become junior typists, then secretaries, and eventually, perhaps, trainee legal executives. Other staff members, however, had already progressed within the business and were earning what had now

[Mr David Nuttall]

become the minimum wage. As soon as the office juniors were moved up, we had to start moving everyone else up. I understand that the process is known as "pay leapfrogging". All that happened was that everyone was moved up the ladder.

Mr Binley: Another facet of the minimum wage was that it increased at twice the rate of inflation, which had the effect of shoving all wages up. Does my hon. Friend agree that Ministers in the last Government—the present Opposition—worked on behalf of their paymasters, the unions, to achieve that very objective? One wonders where it would have ended in terms of Britain's competitiveness.

Mr Nuttall: My hon. Friend has made a good point. That was part of the overall effect of the introduction of the national minimum wage, with which I was about to deal. Earlier speakers have said that many employees—especially those at the bottom of the pay scales—benefited from its introduction, but it is sometimes forgotten that, by implication, it must have had an inflationary effect on the economy. Nowadays we are constantly hearing that the increase in the VAT rate has, understandably, had an effect on the inflation figures. Similarly, given that the cost of employing people is the biggest single cost incurred by many businesses—especially in the service sector—the introduction of a national minimum wage is bound to have a serious and significant inflationary effect. Therefore, the overall effect of helping those at the very bottom of the pay scales is perhaps not as great as may sometimes be thought.

We have heard a lot about the arguments for, and logic behind, the national minimum wage, but I submit that they are, in fact, arguments for a national income guarantee, as there would be logic in saying every member of society should have a given minimum level of income. That is not what the national minimum wage does, however. It is entirely different, and therefore in most cases—there are exceptions, one of which I shall touch on shortly—the choice is between a life on benefit and a life in work.

Let us consider the following hypothetical situation. An entrepreneur wants to establish a new restaurant in my constituency. It is a large restaurant with a number of tables, and he wants to employ waiters and waitresses. The restaurant will be open full-time, and he calculates that he can pay a total of £53.37 per hour for his workers. It just so happens that that is nine times the current national minimum wage of £5.93. At present therefore, he would be able to employ nine members of staff. The entrepreneur places an advertisement in the press, and 10 people apply for the jobs—the true figure would probably be much higher, of course. They are all friends who went to school together or met at the local job centre. They are probably some of the 625 people to whom I have referred who are unemployed. They say to the entrepreneur, "This is great. This is just what we would like to do. It is an opportunity for a job. We would all like a job." The entrepreneur replies, "I'm sorry, but under the current legislation I cannot employ all of you. The best I can do is employ nine of you." Therefore, the 10th friend is left unemployed and living on benefits, whereas the other nine can get a job earning the minimum wage.

Under the Bill's provisions however, they would be allowed to say, "Actually, we'll help our friend out. We want to help our friend No. 10; we want him to have a job. We all voluntarily agree to that. We would still be far better off if we worked for, let's say, £5.33 an hour, and then all 10 of us will be able to have a job. We'll all be friends working together. That will be tremendous, and our poor 10th friend will not be left on their own." Without this Bill's provisions, the great irony of the existing situation is that the nine would be employed while the 10th could become self-employed and would be entitled to work for less than the minimum wage in any case. That is an anomaly in the current legislation.

Whenever the national minimum wage is discussed and arguments are put for and against it, people always talk about "big businesses" and "rogue employers", but let us not forget that the national minimum wage applies to all employers, including charities and small organisations in the voluntary sector. They are all affected by the national minimum wage. The Bill is a contribution to the big society, because it would mean that small charities would be able to employ more people, not only the young, but perhaps older people, too—this is not just about people in the under-24 category. My figures show that in my constituency this might apply to 280 people over 50. These people might be able to afford to work for less, perhaps because they have bought their own home and paid off the mortgage, and they may wish to help a local charity. I am talking about self-sufficient people who are not claiming benefits and who want to work for a small local charity. As the law stands, they would not be able to do so. The Bill therefore contributes to another other theme of the big society—that of passing power over.

Mr Alan Campbell (Tynemouth) (Lab): In those circumstances, could the person not volunteer for the charity? They would therefore not be "working" and would not be subject to the minimum wage legislation.

Mr Nuttall: Many charities employ people and also have volunteers; many small charities employ a certain number of people on a full-time basis and also have volunteers.

Mr Campbell: But is not the premise of the big society that people should volunteer? It is about encouraging people to volunteer, rather than about people seeking employment.

Mr Nuttall: The big society is about helping to enlarge the voluntary sector. [Hon. Members: "It is voluntary."] Yes, but some voluntary organisations still employ people to run the volunteers.

The other aspect of the big society is the passing of power from the Government down to the individual. What better example could there be of the big society than for this Bill to become law and for this House to say to the individual, "We will give you back the right to decide for yourself whether or not you wish to work." That would be the biggest move that this House could make towards helping the big society, as it would give individuals the right once more to decide for themselves whether they want to live a life on benefit or to work for a living. I commend the Bill to the House, and I look forward to hearing the rest of the contributions.

12.47 pm

Mr Edward Leigh (Gainsborough) (Con): I apologise for being delayed and missing the start of this debate, Madam Deputy Speaker. I wish to congratulate my hon. Friend the Member for Christchurch (Mr Chope)—he is also an actual friend—on doing a signal service to the House by courageously raising this issue, as it is important that we have an honest debate about it.

There are many arguments in favour of what my hon. Friend is trying to do. That applies both in terms of the Bill's wider context, which I shall deal with in a moment, and what he is specifically trying to do on the minimum wage. The first relates to the tragedy of youth unemployment, which is an increasing problem. In addition, businesses undoubtedly need to respond to the marketplace, because they are in the marketplace and they cannot avoid it. It is also undoubtedly better for people to work for less than be unemployed, because work helps people to get training, make contacts, gain experience and so on.

My hon. Friend has also said that we are talking about a voluntary process, but it is precisely on this point that his Bill has difficulty. As was well said by the hon. Member for Harrow West (Mr Thomas), who leads for the Opposition, this issue may well be a show-stopper that prevents the Bill from becoming law. There is undoubtedly a mismatch in power between an employee who is desperate for a job and an employer. Although my hon. Friend the Member for Christchurch assures the House that the process is entirely voluntary, one can undoubtedly envisage many situations in which there will be problems. My hon. Friend the Member for Shipley (Philip Davies), who has unfortunately been called away for a moment, mentioned the example of disabled people, who often find it more difficult to get jobs because what the employer has to pay them is on a level with people who are not disabled. As I said to my hon. Friend, the employer might summon the disabled person and say, "I'm sorry, but you have this disability and you are not quite as capable as doing this job as other people, so please sign on the dotted line to be paid less, as this provision is now law." One has to assume that these Bills will become law, so we need to tease out these important points.

In other circumstances, an employer might say to employees that there are severe problems and that the marketplace is very difficult, so employees will have to sign on the dotted line and take less than the minimum wage. It is a bit simplistic—and, dare I say to my hon. Friend the Member for Christchurch, a bit naive—to assume that the process is entirely voluntary. I am not sure that the marketplace works like that.

Mr Bone *rose—*

Mr Leigh: I shall give way to my hon. Friend, who has undoubted experience as an employer.

Mr Bone: It was quite wrong of me to call my hon. Friend a shocking leftie on this issue—I clearly got that wrong. He makes a very fair point about the Bill needing to be considered carefully in Committee. The original version contained the idea of limiting the period for which someone could opt out of the minimum wage. Perhaps that would reassure my hon. Friend.

Mr Leigh: Obviously, if the Bill is allowed to progress to Committee, we will have to tease out some of those points. My hon. Friend the Member for Christchurch accused me of being a paternalist, but there is nothing wrong with thinking like a parent. I suspect that this is a clash between the free market wing and the socially conservative wing of the Conservative party.

The Victorian age has been mentioned. Many Victorian owners were very bad and we can read about them in Dickens's novels, but many, particularly those inspired by conscience, religious faith and other such factors, were superb employers. There was a big debate about these issues in Victorian times. Without boring the House, I want briefly to allude to a papal encyclical called "Rerum Novarum", issued in the latter part of the 19th century, which made it absolutely clear that the wage earner is entitled to a just wage and that we cannot live with an untrammelled free market because there is a mismatch in power between employer and employee. These are very important issues that must be addressed by my hon. Friend the Member for Christchurch before the Bill becomes law.

Mr Binley: I find my hon. Friend's contribution interesting, but will he accept an example of an experience that was brought to me in my constituency? Some people were made redundant through no fault of the owner of the company—the recession smacked him hard. Three of the elder members of the group who wanted to work, for their own esteem and because they felt that working had a greater relevance to their lives than not working, went to him and suggested that they take a cut below the minimum wage for a limited period. He looked into it and found that he could not do that, of course. Is that not a foolish situation when we are trying to encourage people to recognise that work is a valuable part of the human experience?

Mr Leigh: That is an excellent intervention that shows the moral issues in our debate. There will undoubtedly be situations—this is where I agree with my hon. Friend the Member for Christchurch and why I think his Bill deserves to be debated in Committee—involving a perfectly good and caring employer, such as the one described by my hon. Friend the Member for Northampton South (Mr Binley), who is in a difficult situation and employees who are desperate to keep their jobs. We must be aware of that.

There are two other issues that are worth mentioning. The first is the increasing scandal of internships, particularly for young graduates. I feel quite strongly about this matter, which has already been mentioned by my hon. Friend the Member for Wellingborough (Mr Bone). I suppose I should declare an interest as a parent, and two of my children are already graduates. All of us who are parents know that whereas our generation—that of my hon. Friend the Member for Christchurch and myself—left university in times of full employment, young people are increasingly trapped in a disgraceful situation in which employers tell them that they can work for them, but only if they work for nothing. I do not think that that is right.

When I take on an intern in the House of Commons, I pay them the minimum wage. I am firm on that. It is fine if a young person between school and university wants to come here for a week's work experience and

[Mr Leigh]

work for nothing, but I am absolutely clear that if someone is working here for six months or so, they should get the minimum wage, and I will not pay any less than that. However, many young people are now trapped.

One advantage of the Bill—it is worth debating further—is the excellent idea of a training wage, which I see as a kind of halfway house. It would enable employers to pay graduates something, although my view is that, if the company involved is in the City, it should pay the minimum wage. It is better if young graduates, having worked so hard to get through university, are not in the dreadful situation of kicking their heels at home or, if they do work, getting nothing for it. We must have a proper debate about the scandal of internships. It is good that my hon. Friend the Member for Christchurch has put that in his Bill. It is a Back-Bench Bill and we all know that in reality it is unlikely to become law. However, we need a fuller debate on that matter.

We also need a fuller debate on clause 1, and my hon. Friend has been honest about that. It deals with a subject we do not hear much about. It is a scandal that in this country large number of foreign nationals—people whose applications for British citizenship are being considered, or asylum seekers—are trapped in the appalling situation of not being able to work. I think that we are a bit dishonest with ourselves about that.

The hon. Member for Harrow West, made the valid point that we should not allow employers to pay less than the minimum wage because all that will happen is that the taxpayer will have to step in through the tax credit system. My hon. Friend the Member for Shipley said that he did not agree with a tax credit system, but that is a bit of a simplistic argument. It is impossible for people with children to raise a family on anything much less than the minimum wage plus some tax credit. My hon. Friend the Member for Bury North (Mr Nuttall) made the point that we should have an honest debate about what basic national benefit should be paid to keep people in body and soul. I have always argued that a universal minimum benefit payment should be available, with a minimum of churning of taxation on top of that, and as flat a tax rate as possible, which would encourage people into employment. The trouble is that so much of our minimum wage-tax credit system does not help the poor. It often traps people in unemployment and dependency and discourages people from going into employment. Those issues need to be debated much more honestly, so I congratulate my hon. Friend the Member for Christchurch on introducing the Bill. It is an interesting Bill that raises issues of great importance, and I hope that it will be allowed into Committee.

12.58 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate my hon. Friend the Member for Christchurch (Mr Chope) on securing parliamentary time for the Bill. I confess that I have not been a regular attender on Fridays and I found this to be—how can I put this nicely?—a different style of debate.

We began with some rather florid language. I think there was talk of gouging and the crushing hand of state socialism by stealth—a particular favourite of mine—which presumably is the opposite of the hand which Adam Smith liked to talk about. Perhaps more predictably, we had some early fireworks from the right hon. Member for Rotherham (Mr MacShane) in response to that. Then there was a wide-ranging debate, ably chaired, Madam Deputy Speaker, by your fellow Deputy Speaker. We visited small business in Wellingborough, asylum seekers in Zimbabwe, and, at one point, the Victorian age, possibly in person, though my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) is not here now. Two topics which I suspect, although I am happy to be corrected, may be popular on a Friday morning—the EU and IPSA—also seemed able to be drawn into the heart of debate, all within order, of course. There was, just for a moment, the prospect of an unholy alliance between the hon. Member for Manchester Central (Tony Lloyd) and my good friend the hon. Member for Christchurch, but as my hon. Friend rightly concluded, this is an important debate to our constituents, and in many senses too serious for yah-boo politics. I will seek to address the range of issues that have been highlighted during the past three and a half hours.

There are four elements to the Bill. Clause 1 provides that no foreign national lawfully resident in the UK who is above compulsory school age can be prevented from engaging in remunerated employment. The rest of the Bill concentrates on the national minimum wage. Clause 2 provides an opt-out, clause 3 exempts a person who is getting a training wage from the minimum wage, and clauses 4 to 8 provide for the introduction of a regional minimum wage. As the Bill principally concentrates on the national minimum wage, I will discuss those provisions first, but I will address clause 1 as well.

I am pleased that the debate gives me the opportunity to remind hon. Members that the Government are committed to the national minimum wage. We believe that it gives protection to low-income workers and provides incentives to work, and we made that clear in our coalition agreement. As the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), who has responsibility for these matters, made clear, the aim of the national minimum wage is to establish fairness in the workplace and to make sure that work pays. It does that by ensuring that all workers receive at least the hourly minimum rates set. As well as helping workers, the minimum wage also helps business by ensuring that competition is based on the quality of goods and services provided, and not on the lowest price potentially based on exploitative low rates of pay.

Hon. Members will be familiar with the fact—we have talked about it in the debate—that the level of the minimum wage is recommended to the Government by the Low Pay Commission. The commission has widespread support, not just from the trade union movement, but from employers. It is independent of Government and comprises nine commissioners, and the aim is simply stated as to

> "have a minimum wage that helps as many low-paid workers as possible without any significant adverse impacts on inflation or employment."

Those impacts have been raised in the debate, and I will address them specifically because I know that they are of concern to right hon. and hon. Members.

Commissioners receive submissions and take oral evidence from a wide range of representative organisations. They also visit businesses throughout the UK. That puts them in direct contact with businesses in low-paying areas and areas with unemployed and low-paid workers and their representatives, so that they can understand the realities of the circumstances in the workplace. That consultation supplements the commission's analysis of high quality and extensive research and official data, so the basis of the agreement that commissioners represent to Government is robust evidence. Since the introduction of the national minimum wage, the commission has carefully monitored its impact on the economy in general and the labour market in particular. It looks at a range of issues and variables, including profits, prices, productivity, investment and business creation.

Clause 2 provides that a person who would otherwise qualify for the minimum wage may elect to opt out of such an entitlement. It makes it clear that any such election must be made by an employee in writing to their employer and must be signed by both the employer and the employee. I believe that the proposals in clause 2 are flawed in a number of serious ways. First, they make it easier for workers to be exploited. My hon. Friend the Member for Christchurch stressed that he is talking about arrangements for freely consenting adults, but how will he ensure that that is in fact the case in every place of work? Low-paid workers who may be fearful of losing their jobs are unlikely to have that free choice—that equal position—over whether they should accept a pay cut taking them below the national minimum wage.

Some people might feel that that is far-fetched, but it is worth looking at the first evidence that the Low Pay Commission established. In its June 1998 report, it states:

"Most workers in the UK have seen an increase in their real earnings over the past two decades. But increases have not been uniform. Average earnings have increased much more rapidly than the earnings of lower-paid workers, and the earnings of the skilled have increased relative to those of the unskilled. Certain groups of workers are much more likely to be low paid than others: these include women (particularly those who work part time) as well as young ethnic minority and disabled workers. Temporary workers and male part-time workers are also more likely to experience low pay."

The report concludes:

"We met many workers who felt trapped on low pay because of lack of skills, mobility or opportunities. They feared that their only alternative was unemployment."

The commission also found examples of "gross exploitation". In its report it cited the example of a woman employed in a bar who routinely worked what was described as a "four hour" evening shift for £12 gross. The four hours reflected only the time that she was serving, however; they did not include the requirement for her to spend another two hours after closing in order to clear up the bar. That time was not paid for at all. Those instances do occur, and we need to ensure that when we frame legislation we respect all of them.

There is no guarantee that an employer's motives for getting a worker to accept pay below the minimum wage will be based on ensuring the business's survival. That has come out in the debate from a number of contributors, and it goes to the heart of the economic reasons underpinning a national minimum wage. In technical terms, that would be described as monopsonistic competition, but in less technical language it is about market power, and several hon. Members, including the hon. Member for Manchester Central and my hon. Friend the Member for Gainsborough (Mr Leigh), have highlighted that issue.

Vulnerable workers—those with few qualifications, those who are in fact functionally illiterate and those with work-limiting disabilities—do not have equal bargaining power when compared with their employer. There is a mismatch, and there is that risk of exploitation, and the problem with clause 2 is that it does not take account of that potential problem. We believe that it could reinstate the problems that led to the introduction of the minimum wage in the first place.

That is not the only problem, however, important as the issue of vulnerable workers is, because the Bill's proposals could be bad for business as well. The Low Pay Commission found in its first report that competing simply on the basis of low pay can lead to a damaging downward spiral of low wages and poor standards, which would be bad for businesses and workers. This was recognised by the British Chambers of Commerce, which stated in its evidence to the commission that

"businesses recognise that a low wage policy leads to a vicious circle of low morale, low performance and low productivity".

It is important to remember that, although the vast majority of employers seek to do the right thing and do the right thing, there will always be that minority, and the danger of shifting away from that is one that affects employers and employees. That is not just my own view, or indeed that of the Government. I am in good company, because Winston Churchill made the point that

"the good employer—

without minimum wage protection—

"will be undercut by the bad, and the bad employer will be undercut by the worst."

There is also no evidence that the provisions in clause 2 are necessary. I have mentioned what the Low Pay Commission set out, but it is also worth looking briefly at the balanced way in which it has implemented the national minimum wage over its lifetime. I know that there was much discussion about the expectations that were or were not raised prior to the introduction of the minimum wage, but the commission's approach has been reasonably cautious. It has been cautious in difficult times, but, yes, it has balanced that with more generous rate recommendations in better times.

Mr Binley: Will my hon. Friend help me? I need to understand something, because under the previous Government—it could only have been under the previous Government—the minimum wage increased by twice the rate of inflation. Is that where this Government want to go with the minimum wage, or will it not increase at that rate under my hon. Friend's jurisdiction?

Mr Prisk: I am saying that the Government will seek from the Low Pay Commission a careful assessment of the market conditions year on year, whether they are good or bad: what is affordable and where the balance can best be struck between ensuring that the minimum wage is reasonable for those who are affected and not having an unreasonable effect on businesses as a whole. The Government cannot set it in advance or seek for it to double.

Mr Binley: Perhaps my hon. Friend can help me further, because he did not answer my question. We all recognise that the double-inflation increase has had the effect of raising wages throughout the system. Given that, does the Minister understand why it is important, particularly at this time, to ensure that the minimum wage does not rise above the rate of inflation?

Mr Prisk: Absolutely; we will be careful to ensure that the recommendations we receive from the Low Pay Commission take that point into account. It should consider not only the conventional measures of inflation, but the costs that affect businesses, who are also the employers. This is a year-on-year process because flexibility is needed as the market changes.

In 1999, the commission set the rate at £3.60 an hour, which was pretty cautious. In the early years of the minimum wage, the commission continued to take that cautious approach. I do not propose to go through each and every year, although it is tempting. Since 1999, we have seen good times and bad, and I think it is worth considering how the commission has responded in those different contexts.

In 2001, the commission recommended that in 2001 and 2002 the adult minimum wage should increase to the level that it would have reached if it had always been raised in line with average earnings. In other words, at the start when things were challenging, the commission did not want to raise it too early. However, as the market improved and became more robust in labour terms, it was able to add to the minimum wage in a way that related to the costs of businesses.

In 2007, the commission came to the conclusion that a more cautious approach was again required. It looked at the pay differentials, particularly in the retail and hospitality sectors, both of which were progressing. That was coupled with concerns about price inflation feeding into wage inflation. The commission reported for the first time that it was concerned that the minimum wage was biting in that way.

In the most recent reports in 2009 and 2011, the commission was clearly dealing with a very different economic environment. By the time of the 2009 report, the UK was clearly in significant economic decline and recession, accompanied by sharp increases in unemployment and a fall in total employment. The decline in economic activity was much sharper than had been anticipated by most economists, never mind those working for the commission. That is why the commission recommended that the adult minimum wage should increase by only 1.2%—much less than in previous years.

The report published in April 2011 reflects the fact that the UK economy is recovering following the recession. The labour market has continued to show the resilience it had in the recession and unemployment remains below the median levels forecast at the time of the 2009 recommendations. The commission concluded that its approach needed to recognise the continued economic uncertainty, while protecting the lowest-paid workers from falling further behind—hence the recommended increase in the adult minimum wage of 2.5% to £6.08, which is broadly in line with average earnings and pay.

Those points in time—1999, 2001, 2007, 2009 and 2011—were all at different points in the economic cycle. The review that I have undertaken in preparing for this debate has demonstrated that the commission has been sensitive to the different market conditions. Sometimes it was able to be more generous and sometimes it had to be more restrictive. That is the right balance.

Many Members have raised the impact of the minimum wage. I will deal first with its impact on earnings and labour costs. Businesses react in different ways to labour costs. If they rise, some businesses absorb them by reducing non-wage benefits or adjusting their pay structures, as we have heard from several hon. Members. However, the employment picture is a little different from the one that has concerned several Members. In fact, I say in particular to my hon. Friend the Member for Shipley (Philip Davies) that since the minimum wage was introduced in April 1999, aggregate employment has grown. Despite the recession, it was still higher last September than it was prior to the introduction of the minimum wage. That occurred through the boom, through the Labour bust and back into the new coalition Government's recovery. During that period, the number of employee jobs has increased by 1.1 million and the number of employees by 1.4 million. The number of hours worked has increased by 3.1%.

My hon. Friend—I do not see him in his place at the moment, but I will continue my point for the benefit of the House—asked the eminently sensible question whether the impact of the minimum wage on those on lower incomes had been adverse by comparison with the rest of the economy. I have sought the answer to that question. In the same period, from the introduction of the minimum wage in 1999 to the first quarter of 2011, the number of employee jobs in the low-paying sectors has actually increased by 366,000, which is 4.8%.

Nick Smith: Does the Minister agree with the suggestion of the hon. Member for Shipley (Philip Davies) of a drop in the minimum wage of £1 an hour, or nearly 20%?

Mr Prisk: Of course not. I hope that my reference to the figures on the employment impact will make people reconsider what I suppose is the natural suspicion that if all wages rise, people will be squeezed out of the labour market. The evidence suggests otherwise. The size of the labour market has changed since the minimum wage was introduced, and a series of factors have changed its character, but I take some comfort from the fact that the figures are heading in the right direction. However, we need to be continuously careful that the minimum wage does not start having a negative impact.

The consensus of the research on the impact of the national minimum wage is that it has greatly affected the distribution of earnings but not had a significantly adverse impact on employment, including of those on lower income.

Mr Chope: In trying to undermine clause 2, my hon. Friend has concentrated on the position of those who are already in employment. Does he accept that there are people who are out of employment who are looking for work and genuinely willing to work for less than the minimum wage? Why is he intent on preventing them from entering into an agreement with a potential employer to do so?

Mr Prisk: That brings us back to whether it is actually a choice to do so. I totally respect my hon. Friend's point that there are people on the edge of the labour market who are keen to work. However, if we open up the system and return to competition based on the lowest pay, we will go back to the original problem. I agree that we must ensure that we do not have undue inflexibility in the system, but I believe that returning to the position that the Bill suggests would create more problems than it solved.

Mr Binley: Will my hon. Friend give way again?

Mr Prisk: I will briefly, then I must come to clause 3.

Mr Binley: I am most grateful. Does my hon. Friend recognise that most employers, and certainly my company, try very hard to set the wage levels for their low-paid employees above the market rate, to attract the very best labour? That is the major concern of most small and medium-sized enterprises. I recognise that a very few rogue employers would not do that, but does he accept that in the main, companies wish to pay more to attract better labour?

Mr Prisk: Absolutely. The vast majority of decent employers are keen to ensure that they get the brightest and best, and are willing to pay for that. We should not allow any characterisation of employers in this country as always wanting to do down their employees. That is not my experience, and I hope Opposition Members will not tolerate such a characterisation in future.

Clause 3 seeks to exempt a person from the minimum wage as long as they receive a training wage. We have had a constructive discussion on apprenticeships, training and the importance of helping young people, to which the clause is relevant. Ever since the Low Pay Commission's first report in 1998, it has been argued that young people should be treated differently from their older counterparts. The rationale is that the threat of unemployment because of too-high wages is greater for younger people than it is for older people. Clearly, young people often lack experience in the workplace, and are therefore more likely to be both on lower earnings than older workers, and to work in lower-paying sectors.

Young people are therefore more likely to be more vulnerable in the labour market. We have seen that, sadly, in the last couple of years. If I may say, it is encouraging that since May of last year, there has been an improvement in youth unemployment. I am pleased that I can confirm today that youth unemployment is lower than that which we inherited. I hope that Opposition Members will acknowledge that, because it is an important issue on which we agree.

The current rate for workers aged 16 to 17 is £3.64 an hour, and the rate for those aged 18 to 20 is £4.92 an hour. That contrasts with the adult rate for those aged 21 or above, which is currently £5.93. In recommending minimum wages for young people, the commission aims to ensure that the rates neither provide an incentive for young people to leave education or training—that is an important balancing act—nor harm the employment prospects for those who decide to work. As well as the minimum wage rates for young workers, we last year accepted the commission's recommendations to end the exemption from the minimum wage for apprentices under the age of 19, or those aged 19 and over in the first year of their apprenticeship.

We have hence introduced a new minimum pay rate for those people within that framework, which has ensured—for the first time, I believe—that all apprentices in the UK get the protection of the minimum wage. It gives them a fair deal, and therefore protects them from exploitation, but it does not deter businesses from taking them on. As we have heard, that apprentice rate is currently £2.50 an hour.

Mr Bone: The Minister is making a well-constructed argument, but on that specific point, the Government have accepted that there should be a different minimum wage for apprentices, like a training wage. Why cannot we extend that differentiation to the travel industry, which I mentioned in my speech, and other industries?

Mr Prisk: My hon. Friend is a few inches ahead of me, but he is right that that is the kernel of the argument on clause 3.

Let me give a little background, and then I shall address specifically how we expand our provisions and encourage young people in training and apprenticeships. The point about the apprenticeship rate is that it recognises that employers invest significantly in apprenticeships, and that apprentices—quite naturally, given where they are in their working cycle—are less productive than other skilled employees. In addition, young people who complete an apprenticeship derive significant long-term advantages. They know that by accepting a lower wage when training, they will enjoy future higher earnings and better job security. That fits into another Government policy, namely the significant expansion of apprenticeship places—we have increased spending by £250 million to encourage 75,000 extra places.

Is a training wage such as the one in clause 3 feasible? The clause states that someone who is contractually entitled to a training wage, and to training in skills relevant to their employment, does not qualify for the national minimum wage. However, the Bill does not specify what would be an appropriate training wage level. As the Bill stands—that is all we have to debate—employers would therefore be free to pay a training wage at any rate. In addition, individuals receiving those low wages would, as workers, be carrying out work or services for the employer.

The danger is that the provisions could be open to widespread abuse by unscrupulous employers—that small minority that look to pay exploitatively low wages.

Mr Leigh: Before the Minister finishes this part of his speech, will he deal with the points I made about the scandal of internships? The problem, which is now more widespread, is that employers are paying nothing to graduates.

Mr Prisk: I will come to internships later. It is important that we get right the balance between internships and work experience.

I want to continue my point about training. Another problem with the Bill is that what is meant by

"an entitlement to training from the employer in skills relevant to the employment"

[Mr Prisk]

is unclear. A contractual entitlement to training does not mean that the worker is actually receiving any useful training. Under the Bill, for example, a worker could, if they were working in, let us say, a cold-call centre, undertake that work—that would be allowed—because it could be deemed the best way to learn on the job and be trained. In other words, if an individual's work involved cold-calling, they could become skilled, as described in the Bill, simply by doing the job, and not actually having a separate training programme with accreditation requirements. The question then is: would this mean that they are entitled to a minimum wage? The Bill is unclear. Under the Bill, two people doing the same job could have different contracts. Consequently, one would be entitled to the minimum wage, but the other, having a contract for a training wage, would not. The danger therefore is that these provisions could be open to abuse.

I turn to the question of how we could go beyond apprenticeships. This involves the question of whether we have some form of accreditation, which is a real problem that the Bill does not seem to address. Were we to have accredited training in certain circumstances, we would probably end up going down the route of the old development rate, which was set out in 2006, and under which there were complex rules and conditions seeking to determine exactly what the training was. That would create real problems for employers, who would want to know what the conditions were and how they would work. Would the opportunities they are providing qualify for the training wage? We would have all these grey areas and loopholes sitting between the existing minimum wage and the training wage. That is a practical problem about which I, as a former employer in the private sector—obviously I remain an employer as a Member of Parliament—would be very anxious. I would not want to find that I am unintentionally breaking the rules or finding that the guidance from the Government has to be so specific and complex that I spend too much time trying to comply with a new set of regulations, when in fact the original system was simpler—so there are real practical problems with this suggestion.

Mr Chope: Instead of putting up Aunt Sallies, why can the Minister not address the question put to me by one of my constituents who is out of work? He is aged 24 and says that he would be willing to work as a trainee for less than the minimum wage—in other words, at a training wage—but at the moment is not allowed to do so. No employer can let him, because the apprenticeship wage only applies to much younger people.

Mr Prisk: I come back to the point that were we to consider expanding this provision, we would need to put in place a system robust enough not to create either the complications I described or the uncertainties that I, as an employer, would not want. The Bill fails to do this. I agree that we need to encourage training, but to be blunt with my hon. Friend, I do not think that his Bill fulfils that task.

Mr Chope: Will my hon. Friend specifically answer my point, because I will be writing to this constituent to set out the Government's response to his plea that he should be given the freedom to take a training job at less than the minimum wage from somebody prepared to offer him that training?

Mr Prisk: I can understand that frustration, but the moment we make law on the basis of one instance, we create difficulties for the scrupulous. That is the risk we are talking about.

I turn to work experience and interns. I understand the frustration and concerns of my hon. Friend the Member for Gainsborough. Work experience, whether as a paid or unpaid intern, can be a valuable way for young people to get the experience, skills and confidence they need to start up. The Government want as many internship opportunities as possible to be made available, but we are clear that those who are entitled to the national minimum wage should get it. The example he gave of how he works as an employer accurately describes exactly that position.

Mr Bone: This seems to be an announcement of new Government policy.

Mr Prisk: No.

Mr Bone: May I finish my point before the Minister says no? Is he saying that all interns should have to be paid the minimum wage? Is that what the Government are now saying?

Mr Prisk: No. Let me spell out exactly what I said—and put it back on the record for a second time. We are clear that those who are entitled to the national minimum wage should receive it. That is the point; that is how the law stands.

Mr Leigh: This issue is important, because we are talking about people who are being exploited. They are working 60 to 80 hours a week for big companies, big legal firms or big merchant banks all over the place, and they are being exploited. They are not training; they are working, and they should get paid. The Government should step in and do something about it.

Mr Prisk: I understand that, but as we have heard today, the Government are strongly of the belief that we should ensure that where people are entitled to the minimum wage, they should receive it. However, we would not want to intrude in the more informal areas that several Members have described, such as a week of work experience, and so on.

Mr Leigh: They work for six months.

Mr Prisk: My hon. Friend has made a powerful point about those working longer term. We want to ensure that the law is upheld.

Before I return to clause 1, which deals with the unlawful prevention of employment, let me turn to the four clauses at the back end of the Bill, namely clauses 4 to 8. These relate to the regional minimum wage, the idea being that we should move away from a national rate, towards a more flexible, regional structure. It is worth looking briefly at how the existing law works. Under the National Minimum Wage Act 1998, workers of compulsory school age are entitled to be paid at least the national minimum wage, although there are some exceptions. Different treatment may be permitted in

relation to different sectors of employment—and for people of different occupations. However, having different areas poses practical problems.

Clause 4 sets out the role of the Low Pay Commission. It provides that the commission

"must consider and take evidence on the availability of employment opportunities and the impact of the national minimum wage on job creation and access to employment in...areas where the average level of unemployment in the preceding year has been above the national average".

The commission must then

"consider in the light of that assessment whether to recommend that the minimum wage in any such area should be set at a level below the national minimum wage."

It is not clear from clause 4 what happens if a lower minimum wage is applied to a travel-to-work area and the unemployment level of that area subsequently falls below the national average. We presume—although it is unclear from the Bill—that the lower minimum wage could no longer apply, and that the national minimum wage would therefore apply. It is also not clear whether the Bill envisages more than one lower minimum wage rate. For example, would the same lower rate apply regardless of the extent to which average unemployment in an area was greater than the national average?

Clause 5 sets out the duties of the Secretary of State in the event of the Low Pay Commission recommending that the minimum wage in a particular area should be set at a level below the national minimum wage. Perhaps peculiarly, clause 5 provides that the Secretary of State has no discretion in the matter, but must make regulations to bring the commission's recommendations into force. I note that this is different from the Secretary of State's position in respect of the national minimum wage, where it is for him to decide on the appropriate rate, based on the Low Pay Commission's recommendations. It is unclear why the Secretary of State should have the discretion to implement the commission's recommendations on the national minimum wage, which would affect around 1 million people, but not where its recommendations could affect a far smaller number of people.

Clause 6 provides that a change to the minimum wage in an area to a level below the national minimum wage would not affect existing contracts of employment. I will come to the issue of fairness later; I merely note now that this provision is another instance of allowing an employer to pay two workers different wages for doing the same job. It could also encourage employers to get rid of workers who were being paid at the national minimum wage and replace them with people paid at a lower rate.

Clause 7 presents significant practical challenges. It provides that a travel-to-work area is

"an area so defined by the Office for National Statistics."

This point is crucial, because it affects the way in which the final four clauses operate. Ideally, a self-contained labour market is one in which all the commuting occurs within the boundary of that area. However, in practice it is not possible to divide the UK neatly into separate labour markets based on commuting patterns. They are just too diffuse. Our concern is that the opportunity for complexity and continuous change would make the operation of the proposed system significantly more challenging than at present. Speaking as an employer—which I continue to be—I am concerned about how this would work within and on the edges of those regions.

There are currently 243 travel-to-work areas. They were defined in 2007 using the old 2001 census data, so there is already a problem of time delay. The areas vary considerably in size. For example, Anglesey has two such areas, while Greater London has only one. I hope that no one will ask me why, because I do not have the answer. If we moved to a system of regional rates based on travel-to-work areas, the real problem would be the complexity that that would generate for employers. As someone who wants to see less regulation, I would be very much opposed to that. I hope that the House will acknowledge the specific practical problems associated with each of the clauses, especially relating to the way in which this part of the Bill would operate.

Clause 1 deals not with the minimum wage but with the question of unlawful prevention in relation to foreign nationals. It relates to foreign nationals above compulsory school age who are legally residing in the UK, and provides that such individuals shall not be prevented from undertaking paid employment unless certain conditions apply. The first condition is where the foreign national has only a visitor's visa. The second is where the foreign national's most recent application for entry into the UK has been refused. The third is that the foreign national's most recent application to stay in the UK has been refused. Like my hon. Friend the Member for Christchurch, I noticed the typo in subsection (4), for which he has graciously apologised. The effect of the subsection as drafted would be to exempt foreign nationals who were not in detention. The problem that that would create is self-evident.

The Government support the principle that everyone of working age who has the legal right to work in this country should have the opportunity to gain a living by work which they freely accept. That is set out in article 6 of the international convention on economic, social and cultural rights, and the Government are committed to fulfilling our obligations under the convention. The problem is that the provisions in the Bill are contrary to the Immigration Act 1971. The fact that the Bill does not provide for the repeal of the relevant provisions of the Act raises an important technical issue. When we debate these Bills, we are debating whether they should become the law of the land. While I understand that points of principle are involved, we also need to ensure that we get the legislation right.

Mr Bone: This is a Second Reading debate. The Minister knows full well that an amendment to that effect could be tabled in Committee. This is about the principle of the Bill, not about the detailed technicalities.

Mr Prisk: The problem is that the practicalities affect the principle. That is an important point for my hon. Friend to bear in mind.

Section 3 of the Immigration Act provides for a foreign national's lawful stay to be subject to conditions preventing his employment or occupation in this country. That is the basis of the UK's controls on access to the labour market. Foreign nationals who are admitted specifically for the purpose of employment may be subject to conditions of stay which require them to seek authorisation to change their employment. Those who enter for another purpose—study, for example—may be subject to conditions which require them to seek a variation of their conditions of stay if they wish to

[Mr Prisk]

remain for the purpose of work. The provisions in the Bill are the basis for arrangements for determining the circumstances in which an individual would be allowed to take employment or not, depending on their skills.

My hon. Friend's proposal appears to remove any legal basis for the operation of an effective control on migrants' access to the labour market, including the operation of a labour market test in respect of a migrant's employment, except at the point at which they initially seek entry to the UK. The Bill would therefore significantly undermine the Government's ability to regulate the entry and stay of foreign nationals, other than at the point at which they seek entry, or to protect the interests of resident labour.

My hon. Friend might well have intended the provisions in clause 1, in respect of recent refusals of applications to enter or stay, to protect against such issues. However, they would not satisfactorily achieve that effect. It is also difficult to see how such provision could be reconciled with the effective operation of transitional restrictions, to which the Government are committed, on labour market access to nationals of new member states of the European Union who are not subject to immigration control but, as foreign nationals, would be covered by the Bill.

Mr Chope: Will the Minister spell out whether the Government believe that asylum seekers who have been waiting for many months to have their claims dealt with should be given the right to work, or does he believe that that is the wrong solution?

Mr Prisk: I think the challenge is to make sure that the asylum system works properly, which is what my colleagues in the Home Office and elsewhere are doing—and doing very ably—despite the mess they inherited. That is the challenge we face.

The national minimum wage is a key part of the Government's overall strategy to establish fairness in the workplace and to make work pay by ensuring that all workers receive at least a set hourly minimum rate. The minimum wage has brought substantial benefits to a large number of workers, especially women and part-time workers, and it has established basic minimum standards in the labour market. To make the minimum wage optional, as clause 2 suggests, could undermine those achievements and leave some vulnerable low-paid workers open to exploitation.

The Government also believe that the proposals in clause 3 are unnecessary. There are already options available to employers who wish to offer training but not to pay the minimum wage. Certain apprentices are entitled to a lower minimum wage rate. There are some specific exemptions in the law that relate to training—where, for example, an individual is on a specified Government or European scheme, individuals acting in that context as volunteers are not, of course, entitled to the minimum wage.

Making the minimum wage more complex through the introduction of regional rates would have adverse effects on workers and businesses, and make the task of setting and enforcing the minimum wage far more complex. The proposal would introduce potential unfairness for workers, particularly those located near to the boundaries between regions. It is worth noting that when one looks at the evidence, one sees that there is already significant variety within those regions.

As for clause 1, we believe that it would have an adverse effect on the operation of an effective control on migrants' access to the labour market and would significantly undermine the Government's ability to regulate the entry and stay of foreign nationals and so to protect the interests of resident labour.

For those reasons, if my hon. Friend seeks to press his Bill to a Division, I have to tell him and the House that the Government cannot not support its proposals.

1.42 pm

Mr Chope: With the leave of the House, I would like to respond to the debate. It has been a good one and I am most grateful to everyone who has participated in it.

I begin by commenting on the Minister's performance, as I think that Antony Jay and Jonathan Lynn would have been proud of what the Minister's officials have been able to provide him with in the form of a "Yes Minister" script. The tone and content of what the Minister said was so reminiscent of that wonderful series, which was performed on television and is now a play in the west end.

I understand that clause 1 deals with issues that are not full-square within the Minister's responsibilities. However, he says that it would raise all sorts of difficulties of definition, but it is quite obvious from the evidence I adduced earlier that the Government do not know how to count the people coming into the country or the ones going out; they do not know how many people have applied for asylum; and they do not know how many people have been waiting for their asylum cases to be dealt with for more than three months or for more than six months. The Government do not have the basic material before them, yet when I come forward and say, "Wouldn't it be a good idea if people who were seeking asylum had the opportunity to improve themselves and work?", all I get is a whole lot of gibberish saying that my clause 1 is defective in the following 1,000 particulars.

I am not having that, Madam Deputy Speaker. If the Minister's intention was to provoke me into testing the opinion of the House on this Bill, he has certainly succeeded in doing so.

I want to comment briefly on my hon. Friend's observations about some of the other clauses. He failed to answer my simple question about a constituent, aged 24, who is out of work, wishes to engage in a training contract, and is willing to do so for less than the minimum wage. I shall therefore have to send my constituent a blank piece of paper, which I shall identify as the Government's policy on the matter. The Government recognise that there is a problem, but have no solution. My Bill presents a potential solution, and all that has happened is that it has been rubbished.

I told my hon. Friend in an intervention that he was seeing clause 2 far too much from the point of view of a person who was already in work rather than that of a person who was out of work and seeking it. That constituted another big failure in the Government's response.

A number of my hon. Friends commented on the problems of youth unemployment and access to employment. I do not know whether the Minister is

aware of the figures, but according to figures for 2010 produced by Doing Business, an organisation which

"measures and compares regulations relevant to the life cycle of a small to medium-sized domestic business",

in June 2010 a 19-year-old worker in this country had a minimum wage five times higher than that of an equivalent worker in Poland, 2.5 times higher than that of an equivalent worker in France, 50% higher than that of an equivalent worker in the United States or Germany, and about the same as that of an equivalent worker in Ireland. If we want to find an answer to the ghastly issue—the really serious issue—of rising youth unemployment, we could do a lot worse than examine the international comparators, which make it plain as a pikestaff that we have too high a minimum wage for our young people, leaving aside the need to give them access to a training wage.

My hon. Friend the Member for Shipley (Philip Davies) was inimitable in his fairness. He emphasised the number of people who benefit from the national minimum wage, but also wanted to ensure that more people could become employed. He has been an employee in a very large firm, and he and my hon. Friend the Member for Northampton South (Mr Binley), who made so many cogent interventions, and my hon. Friends the Members for Wellingborough (Mr Bone) and for Bury North (Mr Nuttall) have a mass of experience of employing people and participating in the real economy of the country.

My hon. Friend the Member for Gainsborough (Mr Leigh), a former Chairman of the Public Accounts Committee, also made some potent observations. He highlighted the scandal over internships, but again the Minister did not answer the question. Why should it not be possible for someone who wishes to be an intern to be paid something between zero pounds and the minimum wage? There came no answer from the Government, apart from the rather patronising, patrician response that if we introduced such an arrangement, some people might exploit it. I do not think that that is a Conservative approach; I do not think that it is a market-oriented approach.

This has been a rather depressing occasion for me. My worst fears about a Government who are losing touch with reality have been borne out by what we have heard today. However, I think it important for the debate to continue, and I therefore invite the House to take a view on whether the Bill should be given a Second Reading.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 5, Noes 33.

Division No. 298] **[1.49 pm**

AYES

Binley, Mr Brian
Chope, Mr Christopher
Davies, Philip
Leigh, Mr Edward
Nuttall, Mr David

Tellers for the Ayes:
Mr Peter Bone and
Mr Philip Hollobone

NOES

Bingham, Andrew
Blunt, Mr Crispin
Brennan, Kevin
Brown, rh Mr Nicholas
Campbell, Mr Alan
Clark, rh Greg
Ellis, Michael
Fabricant, Michael
Gardiner, Barry
Gibb, Mr Nick
Green, Damian
Greening, Justine
Hamilton, Mr David
Hancock, Matthew
Harris, Rebecca
Hendry, Charles
Hurd, Mr Nick
Johnson, Diana
Jones, Andrew
Lidington, rh Mr David
Lloyd, Tony
McCarthy, Kerry
Miller, Maria
Penning, Mike
Pound, Stephen
Prisk, Mr Mark
Rees-Mogg, Jacob
Seabeck, Alison
Smith, Nick
Thomas, Mr Gareth
Trickett, Jon
Truss, Elizabeth
Vaizey, Mr Edward

Tellers for the Noes:
Mr Robert Goodwill and
Mr Shailesh Vara

Question accordingly negatived.

Tribunals (Maximum Compensation Awards) Bill

Second Reading

2 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move, That the Bill be now read a Second time.

This is a short Bill that would set a limit on compensation for awards for unfair or wrongful dismissal or discrimination arising out of employment and provides that that maximum limit should be £50,000. I propose this partly because I know that the Government are considering the matter, although they announced their review in May whereas my Bill was presented as long ago as 5 July 2010.

At the moment, there are strict limits on the awards that a tribunal can give in respect of claims for unfair dismissal arising from ordinary employment law. When the claim for unfair dismissal is based on discrimination, however, an unlimited amount of damages can be awarded. That is now leading to all sorts of farcical situations. The situation has been recognised by a group described by Mr Mark Leftly in *The Independent on Sunday* on 5 June as "an influential group" in the City,

"led by Sir Michael Snyder"

who have

"told ministers that employment law must be overhauled, with tribunal awards for discrimination cases capped at £50,000"—

the exact figure proposed in my Bill. The article goes on to say that

"an employee who successfully sues for discrimination, be it racial, sexual orientation or gender, can get unlimited awards. There is a growing belief that this has led to employees without genuine grievances making discrimination claims."

People are making or threatening to make claims when they are faced with dismissal, saying that they will not go for the ordinary unfair dismissal but will base their claim on the fact that their dismissal has been on the grounds of racial discrimination or discrimination based on sex, gender or something similar. We are getting a two-tier system in which people threaten to sue in a tribunal for the much larger, open-ended awards that are available and my Bill would place a cap of £50,000 on all that.

Mr David Hamilton (Midlothian) (Lab): In the interests of clarity, can the hon. Gentleman tell us how many such claims have been unsuccessful? That would give weight to the argument that people are claiming just for a chance of getting some money.

Mr Chope: I have the figures somewhere, but I do not have them to hand this instant because I have a lot of papers. I hope the hon. Gentleman will forgive me for not answering his question, but the figures that I saw show that many claims are unsuccessful or not pursued, quite often because they are the subject of a settlement. Quite often the settlement is between unequal parties. The claimant has nothing to lose by taking the case to a tribunal but the employer is faced with substantial legal costs, plus disruption to his business, in defending his position. Those claims can end up being settled out of court, as it is called. They would probably be regarded by the hon. Gentleman as unsuccessful claims, but they might have been taken to the tribunal had it not been for the imbalance of power between the applicant and the employer.

Mr David Nuttall (Bury North) (Con): May I help my hon. Friend on that point? I suspect that no accurate figures are available because many of these claims are resolved before the application is put to the industrial tribunal. Although figures will be available for those withdrawn or settled after the industrial tribunal proceedings began, I suspect there will be many thousands of other cases that the public do not know about.

Mr Chope: To put the issue in context, I will quote briefly from some newspapers. On 24 October 2008, the *MailOnline* had the headline "Asian bank worker gets record £2.8m race discrimination payout". On 10 September 2009, another headline read: "Sacked council manager wins £1 million age discrimination payout",

and a report has come out in the past few days saying:

"Discrimination compensation payouts hit an all time high.

A recent annual survey of compensation awards in the Equal Opportunities Review has revealed that the amount being paid out by employers in discrimination cases has more than doubled in two years."

Mr Brian Binley (Northampton South) (Con): Does my hon. Friend recognise that there is a level below a claim which employers are quite concerned about? They are being threatened with being taken to a tribunal as a way of extracting money from them. Many employers are advised at local level to give in and not allow the case to go to a tribunal. In that respect, there is a certain element of the blackmailers charter about all this. I wondered whether my hon. Friend had thought about that and why he had not included it in his Bill.

Mr Chope: I am sure that I could have included it in the Bill, but it is implicit that having a lower maximum figure in the case of unfair dismissal and an absolute maximum figure—there is no maximum figure at present—in the case of discrimination cases will reduce the bargaining power in a situation such as that my hon. Friend outlined. He described it as blackmail. We know that companies can sometimes be threatened with being taken to a tribunal and subject to all sorts of allegations it will find difficult to answer, so they pay up to an aggrieved ex-employee.

Diana Johnson (Kingston upon Hull North) (Lab): I wonder whether the hon. Gentleman has had an opportunity to look at the employment tribunal annual reports for 2007-08 to 2009-10. They set out the median compensation awarded in race, sex and disability discrimination cases. In 2009-10, the median for race discrimination was £5,392 and for sex discrimination it was £6,275, which are well short of the millions referred to in *MailOnline*.

Mr Chope: Obviously I cannot quarrel with the statistics that the hon. Lady quotes, but the issue is causing the coalition Government concern. That is why on 11 May the Department for Business, Innovation and Skills announced that the Government would look in detail at the case for reforming compensation for discrimination:

"Compensation levels for cases of discrimination are unlimited and employers worry that high awards may encourage people to take weak, speculative or vexatious cases in the hope of a large payout. This can lead to employers settling such cases before they reach a Tribunal."

The Government therefore seem to think that there is a problem.

I see my hon. Friend the Minister for Immigration on the Front Bench—we could have done with his wisdom on asylum cases in the previous debate. I hope he will be able to bring some of that wisdom to bear on this subject in particular, as I had the opportunity to talk to an official from his Department who said that the Government were carrying out a review of the subject. The point that I made to my hon. Friend's official was that that is all very well, but how will it deal with the rulings in the European Court of Justice. In the ECJ case Marshall v. Southampton and South-West Hampshire Area Health Authority (No.2) (1993) IRLR 445, the court decided that the cap that had previously been put on discrimination compensation did not provide an adequate remedy under European Community law.

The Minister for Immigration (Damian Green): I am grateful to my hon. Friend for giving way so that I can confirm to him now, should the debate run out of time before I have chance to reply in full, which I very much look forward to doing, that the Government will be launching a public consultation on this specific matter later in the year. As he has already said, this is a matter that the Government are considering and receiving recommendations on, and we want the widest possible input into the public discussion of this important matter.

Mr Chope: I am grateful to my hon. Friend, but I thought that in the announcement on 11 May his colleague with responsibility for employment relations had announced the extension of the Government's review of employment law into this area. The question I was trying to get an answer to was how compatible the Government's aspiration to introduce a limit on compensatory awards was with the ECJ case to which I have just referred. The issue was drawn to my attention by staff in the House of Commons Library who wondered whether my Bill would cut across EU law, and that is why I have included clause 2, which states:

> "This Act shall have effect and shall be construed by the courts of the United Kingdom as having effect notwithstanding the European Communities Act 1972",

thereby reasserting the sovereignty of this Parliament to decide on such issues and not be subject to rulings from the ECJ interpreting European Union law.

Some firms of solicitors are already on to this point. I have a report from Lee Rogers, an associate at Weightmans solicitors, who says that the Government may face obstacles if they decide to impose such a cap. I really wanted to find out from my hon. Friend whether the Government recognised that this was a problem and, if so, how they would overcome it. There is no point in going out for consultation on something where the Government's ability to manoeuvre is restricted by European Union law, unless the Government are saying that they will override that law. The fact that my hon. Friend does not seek to intervene again suggests to me that either the message that went through his office was misinterpreted, or that when he sought information from the responsible Minister he did not get a clear answer, so he has done the best that he can in his inimitable way from the Front Bench today with the problems that the Government obviously have on this issue. The public do not believe that compensation for discrimination should be in the hundreds of thousands of pounds; they think that is unreasonable.

People talk colloquially about something costing an arm and a leg, and I would not want to make this issue seem anything other than serious, but if somebody were to lose one leg below the knee, under the criminal injuries compensation scheme they would be entitled to £33,000. If they were to lose one arm and one leg, they would be entitled to far less compensation than is paid to people who bring successful claims for discrimination before an employment tribunal. We value the damage of hurt feelings from discrimination cases far more than the criminal injuries compensation scheme values the actual loss of a leg or an arm and that is absolutely ridiculous, so if the Government were able to bring in some amending legislation that would be very useful.

I also cannot understand why, if the Government are concerned about the level of compensation and tribunal awards, they allowed the ceiling for such awards to be raised in line with inflation in a recent statutory instrument. If they felt that the awards were already too high, why did they not rein them back and not increase their maximum level in line with inflation?

This is a simple, straightforward Bill, and I hope that it receives hon. Members' support so that it can be discussed in Committee, and so that the Minister can be asked probing questions and answer those I have put to the House this afternoon.

2.17 pm

Tony Lloyd (Manchester Central) (Lab): I will be brief, because my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) on the Front Bench also wants to say a few words.

Many of us share the sense of astonishment of the hon. Member for Christchurch (Mr Chope) at the extraordinary £2 million-plus claims that have occasionally gone through, but it is important that we make it clear, as my hon. Friend already has, that the median payout by tribunals for sex discrimination and for discrimination on the grounds of gender, race or whatever is considerably lower. The median payout for all those is less than £7,000, which is a world apart from the £2 million that the hon. Gentleman has cited, and we need to put that firmly on the public record. Those payouts of under £7,000 are also all way below the maximum cap for unfair dismissal, which is £68,000, so it really is desperately important that what the hon. Gentleman says about high-end payments should not determine the tribunal payouts for sex discrimination or for discrimination on the grounds of gender, race or whatever. Such discrimination still infects our workplaces, and people suffer enormously.

The median payout of £7,000 recognises the loss of earnings that takes place, but people do not simply lose their jobs, because those who go through such intolerable bullying in the workplace suffer enormously at psychological and personal levels, too. Earlier, we debated good and bad employers, and the fact that such tribunal cases are fought successfully is evidence that some employers allow the most unacceptable practices in the workplace. However, those cases do not involve the mega-payouts that the hon. Gentleman has mentioned.

If the idea is to equate, for example, sex discrimination with unfair dismissal, I also say gently to the hon. Gentleman that I do not understand why he has not equalised the cap on each. I share with him my profound belief, however, that he was right to challenge the Minister

[Tony Lloyd]

on the impact of European law, because it would not be possible to bring in his legislation without at least a massive challenge going right through our domestic legal system to—I think I am right in saying—the Court in Luxembourg and, perhaps, to the Court in Strasbourg. He will therefore have some difficulty persuading any Government to take on the Bill as it stands.

2.20 pm

Diana Johnson (Kingston upon Hull North) (Lab): I stand to oppose the Bill. There was little hard evidence in the opening speech of the hon. Member for Christchurch (Mr Chope) for the Bill. The evidence available from employment tribunals on the levels of compensatory awards shows that they are nothing like the figures that he gave. Of course, there have been some high-profile cases in the papers, but the compensation awarded in the vast majority of tribunal cases is less than £10,000.

The Bill intends to limit compensation in wrongful dismissal, unfair dismissal and discrimination tribunal cases. Most people recognise that it is important to have employment regulation that is fair and treats employees properly. The Opposition do not believe that setting the arbitrary figure in the Bill of £50,000 as the maximum that can be awarded in compensation, without having a wider debate about the employment, legal and equalities issues, is the proper way to set employment policy. Issues such as compensation, fines and penalties for health and safety, rights on leave and dismissal, and many others should be dealt with in a far more integrated way.

As a constituency MP, I saw the Hull trawlermen suffer hugely from not having proper employment rights; they had no redundancy rights and had to fight for pensions. I am therefore very aware of the need for good, clear employment protection legislation. When I worked in law centres before I entered the House, I often acted for people who found themselves in great difficulties with employers who had not treated them fairly and properly.

Of course, before 1997, to get unfair dismissal protection one had to be in employment for two years and there was no statutory right to annual paid leave unless it was in one's contract. From 1997, the Labour Government opted into the social chapter, brought in the right to paid annual leave, reduced the period for unfair dismissal protection to one year, brought in the statutory right to paternity leave and improved maternity leave. It would be a retrograde step to start to unpick the straightforward and basic employment protection rights we now have in this country.

I will return to the compensation levels that I referred to in my intervention. When we make laws in this country, we must do so based on evidence and consider carefully what that evidence shows. As I pointed out to the hon. Member for Christchurch, £4,903 was the median award in 2009-10 for unfair dismissal claims in tribunals. That is nowhere near the millions that he talked about.

Mr Chope: My Bill does not talk about medians, but would limit the excessive awards. She will be aware of a disability discrimination award of £729,347. My Bill would prevent that from happening again.

Diana Johnson: Obviously, I cannot comment on the circumstances of that case. The tribunal or court that dealt with it would have considered all the issues that arose. Some dreadful discrimination cases are brought before the tribunals and courts, and tribunals do their best to make just and equitable awards that fit the circumstances that are brought before them. I dispute the idea that everybody who goes before a tribunal is awarded a huge amount of money. When people are awarded very high compensation payments, there may well be very good reasons.

May I also say to the hon. Member for Christchurch that I believe he has got the law wrong in a number of ways, particularly on wrongful dismissal? He wants to limit payments that can be made for that, but often people's contracts of employment contain clear rights to notice. If he wants to limit those rights, he may find that he is in breach of contract. That may apply to some high earners.

I want the Minister to have an opportunity to contribute, so I will cut my comments short, but I wish to point out that at the moment there is a limit of about £68,000 on unfair dismissal compensation payments. My hon. Friend the Member for Manchester Central (Tony Lloyd) made that point. When awarding compensation for unfair dismissal, the tribunal has to make clear judgments about the immediate loss of earnings that the person has experienced, their future loss of earnings, the expenses that they have incurred, the loss of statutory rights and the loss of pension rights. At the moment, tribunals consider the range of losses to an individual and make a judgment based on that, but there is a cap of about £68,000 on the compensation.

I am interested to hear what the Minister has to say about the particular issues of sex, race and disability discrimination claims. We know from the Marshall case that European law states that it is not possible to have an upper limit for those claims, because damages should be awarded for the losses sustained.

Mr Nuttall: Will the hon. Lady give way?

Diana Johnson: I am very keen to hear from the Minister, but I will give way.

Mr Nuttall: Is it not the case that since the decision to which the hon. Lady refers, EU directive 2006/54/EC has recast the legal position so that there is a prohibition on the fixing of a prior upper limit to restrict compensation, and a provision that the "effective, proportionate and dissuasive" remedy should be given? I believe that a cap of £50,000 would be dissuasive.

Diana Johnson: That is obviously where the hon. Gentleman and the Labour party disagree. We do not think it is right to have such a cap. I would be interested to hear the Minister's view about the European dimension to imposing a cap on sex, race and disability discrimination compensation. On the basis of what I have said this afternoon, the Opposition oppose the Bill.

2.27 pm

The Minister for Immigration (Damian Green): I thank my hon. Friend the Member for Christchurch (Mr Chope) for giving the House the opportunity to discuss this matter. He said in his opening remarks that he regretted

my absence from the previous debate, particularly when there was reference to asylum seeking. In that context, I would say that what he proposed in his Employment Opportunities Bill was the biggest single incentive to increasing the amount of asylum seeking in this country that I have seen in potential legislation. That was why I was extremely pleased to be in the Division Lobby voting successfully against it.

I move on to the current Bill. My hon. Friend is right to point out the concerns that businesses have raised about the high levels of compensation sometimes awarded by employment tribunals in cases of unfair or wrongful dismissal or discrimination. The debate has been particularly timely, on which I congratulate him, because as I said, one aspect of the Bill is currently under active consideration by the Government as part of our general review of employment law.

I should make it clear to the House that there already exists a limit on compensation for unfair dismissal. It stands at £68,400. The average award is considerably below that level, as the hon. Member for Kingston upon Hull North (Diana Johnson) said. The median award for unfair dismissal is £4,903, and the mean is £9,120.

On 27 January we launched a consultation on proposals to improve the way in which workplace disputes are resolved, and we published an employers charter to give employers more confidence to take on workers and support growth. In that consultation, we sought views on changing the formula for calculating employment tribunal awards, including that current limit on compensation for unfair dismissal. Among other things, the consultation sought views on increasing the current qualifying period for unfair dismissal rights from one to two years. The consultation closed after 12 weeks on 20 April 2011, and we are currently considering our response. We will publish that, setting out what we intend—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 9 September.

Business without Debate

PUBLIC BODIES (DISPOSAL OF ASSETS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 9 September.

SHARED PARENTING ORDERS BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 9 September.

LAWFUL INDUSTRIAL ACTION (MINOR ERRORS) BILL

Resumption of adjourned debate on Question (22 October), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 14 October.

VOLUNTEERING BILL

Resumption of adjourned debate on Question (10 June), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 9 September.

MEDICAL INSURANCE (PENSIONER TAX RELIEF) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 9 September.

Rail Services (Hastings)

Motion made, and Question proposed, That this House do now adjourn.—*(Michael Fabricant.)*

2.31 pm

Amber Rudd (Hastings and Rye) (Con): I should like to set the scene, if I may, of a beautiful town on the south-east coast. Some very exciting new projects are taking place in Hastings. We will have a new gallery at the end of this year, and we are rebuilding our pier after recently receiving Heritage Lottery Fund money. Saga, which moved to the town in the past year, is bringing 800 new jobs. I could go on and on about the amazing positive developments that are taking place in Hastings, but we also have some major problems, and sadly, I should like to take this opportunity to draw attention to those for a few minutes.

The index of multiple deprivation is like a sin list for boroughs. There are 352 on the list and Hastings has risen steadily up it—the top is the worst. We recently found ourselves, sadly, at No. 19. There is poverty and a lack of industry in the town. There has been much debate in the town on what can be done to change that. How can we bring about the regeneration that we so desperately need? Everyone has a different view, but transport is the one matter on which we are united. How can we improve transport, and particularly rail links to London, to stimulate the regeneration that we need?

We feel cut off, like an island. Road problems compound the rail problem. From London, it takes 1 hour and 50 minutes to get to York by rail, 1 hour 55 minutes to get to Cardiff, and 1 hour and 45 minutes to get to Hastings. It is clearly absurd that such a short distance takes such a long time. Under the previous Labour Government, we had no investment in our roads or rail. We were shamefully neglected.

I am encouraged by the Government's speedy and affirmative action in respect of electrification on the Great Western route and other railways in the north-west of England, and I dare to hope that they will also deliver improvements for the people of Hastings.

Why is the train service in Hastings quite so bad? This is an unfortunate, historical situation. We were let down when the new railway was built in the 1850s, because it competed for speed with the one being built to Brighton. We have problems with our tunnels, single lines in certain areas and we are vulnerable to points failure and slow periods during journeys. We also have electrification problems, so 12 cars cannot go south of Tunbridge.

How do we achieve the improvements that we so badly need? I am happy to say that Network Rail is working with Southeastern trains on small improvements. Incremental improvements are being made that will shave seconds, possibly minutes, off our journey times. We so hope that we will not for ever be known as the Cinderella line. Improvements are being made this year to some of the assets, including the points, and in order to rein back some of the speed restrictions.

We had horrific problems over the winter caused obviously by the snow, but what my constituents really objected to was the lack of information—they were kept waiting for hours unable to access the right information. I am told that Southeastern Trains and Network Rail are now working closely with National Rail to provide that information. However,I am ambitious for my constituency. I want to get rid of this end-of-the-line reputation, and I want us to have a much, much better line in order to achieve the necessary regeneration. I do not want just these incremental improvements; I want a first-class line, so that we can make the great leap forward that we need. We need a better quality of line, and we need that without enormous costs to the taxpayer.

The recent McNulty report leads the way. We were faced with the shocking statistic that our lines cost over 40% more than European ones. It points out how to stop above-inflation rises and it tells us about the reforms that can be instigated within our railway lines to stop this constant rising of costs and deterioration of services. My constituents have had enough of these constant inflation-busting rises. McNulty stresses value for money, and that is what we need but are not getting in Hastings. We need the reforms to stop these constant rises.

I believe we need to be ambitious with our railway service. I believe that we need investment—we cannot make these changes without investment—but I am very aware of the situation in which the Government find themselves with the terrible deficit they inherited. Where else can we look for the investment we so desperately need? We should look to a longer franchise. Those of us in Hastings were disappointed when the Secretary of State for Transport said that there was likely to be a three to six-year franchise after 2014. We should remember that the McNulty report calls for longer franchises—he makes the point that it simply makes good business sense. Sadly, we are told that the franchise proposal is because of Thameslink, but why should Hastings, which is so urgently in need of regeneration, be subject to Thameslink? We feel that we are always an afterthought—the little sister to be hushed up in the corner. I respectfully ask the Minister to stop ignoring us when it comes to deciding transport priorities. We do not want always to be a consequence of what is going on in the Thameslink project. Let us have a longer franchise—at least in double digits—and then we can get some investment in our line.

We can surely include some requirements for change to modify and adapt within the Thameslink requirements. We should be part of the consideration of Thameslink. Thameslink can go ahead, and we can have our franchise extended within certain requirements for modification if Thameslink requires it. However, having three to six-year franchises, as suggested, is like treading water with a repeatedly shoddy line. We urge the Minister to ensure that we are not let down and to reconsider the proposal. However, if the Department proceeds with a shorter franchise, at the very least we would ask it to focus on requiring an intermediary timetable change across the network for Hastings services to ensure that one of the existing trains per hour converts to a fast one.

My rail action group had a meeting with Southeastern Trains to put this proposal to it, and it responded by showing us the existing franchise to demonstrate that it had no room for manoeuvre. If we are to have the same type of shorter franchise as a stop-gap, which is not what we desire, we would ask that it be less prescriptive, so that we can at least have some fast trains a day. What we need from this investment is upgraded electrification

and, eventually, double-tracking. I urge the Government to consider what could be done to help us achieve that. Perhaps there could be match funding when the new franchise is introduced. With £34 billion going into High Speed 2, perhaps we could have a small amount down in Hastings, so that the new franchise could have some investment to encourage the upgrades that we so desperately need.

I would also like to mention European funding. It sometimes feels like an elusive rabbit that keeps skipping across us in the picture. People say to us, "Have you tried European funding?" or, "What about TEN-T funding?", but it seems to slip away from us whenever we try to reach out, or find out where it comes from or who can guide us. I would therefore be grateful for any guidance from the Minister on whether we should try to get European funding.

The franchise should be longer, but less prescriptive. My right hon. Friend the Member for Tunbridge Wells (Greg Clark) has long campaigned for this. He has recent experience of travelling on the line—I believe at the front of the train, with the driver—and supports our efforts to secure a longer franchise.

Let me say a word about the Cannon Street to Hastings line. Every few years, it seems that we in Hastings have to fight once more to keep the service. Once more, we are being told, "Well, you may or may not get to keep it—it depends on Thameslink." Please do not make us dependent on Thameslink. We need our Cannon Street service. We are a town that has some areas of deprivation. I hate going on about the deprivation—I would much rather extol the virtues of Hastings—but given that we have those problems, I must point out that the commuters who take the Cannon Street line are important to us because they are the higher earners. Sometimes people say, "Don't worry about Cannon Street: if they get to Blackfriars or St Paul's, they'll be absolutely fine," but I do not agree. Some 80% of the passengers who arrive at Cannon Street make their way on foot. Arriving at London Bridge or St Paul's is entirely different. We need to keep the Cannon Street service, and we will campaign hard to do so.

My hon. Friend the Member for Bexhill and Battle (Gregory Barker) has asked me to add his voice to this debate. He has said that the Cannon Street service is

"essential to both commuters and businesses"

in his constituency, and that it

"should not be put under threat or in any way adversely affected by the Thameslink programme. Rail companies in East Sussex are already struggling to maintain a reasonable level of service due to poor investment in the track, signalling and rolling stock in the past. My constituents deserve a better deal. I seek investment to improve rail travel to make it affordable, reliable and sustainable."

He puts it well and reinforces the arguments that I am making.

My constituents are patient, but we believe that we deserve better. We are ambitious for our town and for our regeneration. We have a rail action group, the St Leonards and Hastings Rail Improvement Programme, which is known locally as SHRIMP. SHRIMP is not known for its militancy, but we hope to change that. We will be stepping the campaign up and making our case, to make it clear that the rail links for Hastings are not incidental to our regeneration, and that we do not want to be incidental to the Thameslink programme. I would ask the Minister to consider helping us to structure a franchise to deliver a first-class line to a first-class town.

2.43 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a pleasure to respond to the Adjournment debate this afternoon. I congratulate my hon. Friend the Member for Hastings and Rye (Amber Rudd) on securing it, although sadly she has probably drawn the short straw, because I am the duty Minister—I have responsibility for shipping and roads. She does not have the mechanic with the oily rag responding to this debate. I apologise to her for that, but that is what happens on a Friday. She has been lucky in the ballot, but perhaps unlucky in many other ways. I am sure that the Minister of State would be more than happy to meet the action group and the hon. Members responsible for that part of Kent as we move forward.

My brief says how wonderful it is to live in Sussex and that part of Kent. As someone who fished on the beaches of Hastings on many occasions as a young man, I can honestly say that it is a beautiful place to visit as well. Indeed, the tourism industry is very important to that part of the world. However, we are not talking about living there; we are talking about ensuring that the economy grows, and I am very well aware of the social deprivation that still hinders growth in that part of the country.

My hon. Friend mentioned the fact that the history of the line goes back a long way. The lack of investment probably started right at the outset, because the Hastings line was built in a hurry in the 1850s, and it was not built particularly well, even when connections were made with it. It was not part of a network and it meandered from village to village. It was almost a forgotten line, even when it was being built. It was the Brighton line that attracted a lot of investment. The Department is well aware of the problems that still exist on the line from Tunbridge Wells to Hastings.

My hon. Friend should not underestimate the power of the argument that she makes on behalf of her constituents. It has been heard loud and clear in the Department, and I suggest that it would not hurt if the campaign were to up the ante. The case is obvious: there are real logistical problems and they affect growth. There are also real problems with investment, and my hon. Friend mentioned the difficult financial situation that we found ourselves in when we formed the coalition a year ago.

I know that local residents and MPs would like not to have to involve Thameslink in these discussions, but I am afraid that we have to, simply because Thameslink represents a major piece of investment to which the Government are committed. It will have an effect on the income of whoever is running the franchise in that part of the world and, as the Secretary of State said in his statement, it would be difficult to go ahead with a long franchise without knowing what is going to happen to Thameslink and Crossrail. It would be foolish to do so. We have seen too many franchises issued over the years without a proper cost analysis and without any evidence base. We are conscious of the need for a sustainable, longer franchise. My hon. Friend referred to the integrated Kent franchise, which is commonly known as the IKF.

[Mike Penning]

Until I started to read this brief last night, I had no idea what the IKF was, but I certainly have now. We will be looking initially at a shorter contract, until the business case has been formatted. We shall issue a much longer one once the financial situation has been addressed, and once Thameslink is up and running.

Many hon. Members come to the House and simply ask for more money. It was excellent that my hon. Friend appreciated the financial problems and asked where other money could come from. I have had more than one conversation with my right hon. Friend the Member for Tunbridge Wells (Greg Clark) on the subject of road funding, which is in my portfolio, and he will know that match funding is very much the way forward. I will take back to the Minister of State the ideas about match funding, and I am sure that that can be discussed in the meeting that my hon. Friend the Member for Hastings and Rye will be seeking with the Minister. I do not personally understand the consequences of such arrangements in rail terms, but I know that match funding represents an exciting way forward for roads.

The McNulty report looked carefully at why our railways were so much more expensive than those elsewhere in Europe. My hon. Friend rightly referred to the fact that they are 40% more expensive. We must ensure that, in providing a 21st-century service, we take out some of the costs that are squeezing prices up and making life difficult for commuters. I also know that timetables are a real issue, and we will look into that matter in relation not only to the shorter franchise but further ahead as well. Understandable concerns have been expressed about Cannon Street; my briefing refers to an historic battle. According to what I read, there should not be a carte blanche "no" to Cannon Street. That matter needs further discussion, and local commuters and MPs should be involved in that.

Network Rail is committed to making improvements, and my hon. Friend mentioned some of the smaller ones that are being made. They illustrate the investment that is taking place. They will shave off a limited amount of journey time, except of course when we experience really difficult weather conditions such as those that we saw over the Christmas period. I fully take on board what she and others have said about the communication between the rail operator, the commuters and the local community not being up to scratch at that time. The report commissioned by the Secretary of State came to that conclusion as well.

There is no way that the Department—the Secretary of State, the Minister of State or me—is going to hush anything up. My hon. Friend is doing exactly what I would do—and have done in the past on behalf of my own constituents who are on the east coast main line. Sorry, I mean the west coast main line: if we were on the east coast main line, we would be some way away from my constituency! It is right and proper to raise the issues and the concerns of constituents rather than debate only the technicalities of the case. I know that my hon. Friend will continue to do that.

It is going to be difficult for me to address EU funding in this debate. If my hon. Friend does not mind, I will arrange for the Minister of State to write to her. EU funding always seems something of an anomaly to me. I see how much money we contribute and I understand that when it comes back, it tends to go into areas of social deprivation and need. It is often perceived that the south-east does not fall into that category, yet we all know that there are deprived areas in the region. There are some in my own constituency and many more in my hon. Friend's.

In this Adjournment debate, it is right not just to talk about how much we would like to spend and how easily it could be spent, as we do not have that sort of money available. There are obvious constraints around Charing Cross, Cannon Street and London Bridge, which has had extensive works going on, and also physical constraints—the line coming in and out of London, particularly around Guy's hospital; the major roads around the Strand; and, not least, the great river that flows past this great Palace—which considerably affect where and how we can bring trains and lines into London.

There is an obvious alternative to an expansion of those stations—particularly the investment from Transport for London and the Mayor for the underground. I understand my hon. Friend's concerns about Thameslink and its effect in curtailing what and how quickly things could be done. I think she will have to accept that Thameslink is a major piece of infrastructure, for which London has waited for some considerable time—it has been talked about since I was a lad, growing up in this great city. The Government's decision to go ahead was courageous. We know it will have some knock-on effects, but it is not a complete block on investment elsewhere. What it must do, probably for the first time, is lock in better services coming into London from the south.

As we go forward, it is imperative that everybody is consulted. The Government do not want consultations for the sake of having consultations, as we want the public to feel engaged with them. I am going into detailed consultations at the moment on the future of the coastguard. At some stage, I suspect I might be accused of doing a U-turn, but we said at the start that if we believe in public consultations and public involvement, we cannot be completely arrogant and come out at the other end with identical processes to what went in at the start. When it comes to the consultation on future franchises and services, it is imperative that the public—that means everybody involved, from action groups to local MPs and local authorities, and, indeed, commuters—feel that they have engaged fully with it.

My hon. Friend referred to the Cinderella line. When I first read my brief, I must admit that I at first thought, "What is this Cinderella line?" Many people have strong feelings about this and will receive no consolation from me saying that it is not a Cinderella line, but a line that has an in-built historical problem stemming from the 1850s. There are limited claims that we could put in the limited funds available. Whatever schemes go forward, the early franchise agreements—I know this was a disappointment to my hon. Friend—have to be slightly shorter than we would have liked so that they can be locked in with other contracts, particularly with Thameslink.

It was important to raise this issue. I am sorry it is happening late on a Friday afternoon when everybody has disappeared. I apologise to my hon. Friend that

the Minister of State is not here. Any of my hon. Friend's points that I have not covered will be responded to in writing, and, as I have said, I am sure that the Minister of State will be more than happy to see her and any other Members representing her part of the world, along with their delegations. I commend her for standing up for her constituents as she has this afternoon.

Question put and agreed to.

2.55 pm

House adjourned.

Westminster Hall

Tuesday 7 June 2011

[MR PHILIP HOLLOBONE *in the Chair*]

Dairy Farming

Motion made, and Question proposed, That the sitting be now adjourned.—*(Bill Wiggin.)*

9.30 am

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I am pleased to see that, despite the recess, a number of colleagues are arriving, and more will join us later.

It is important that we debate the future of British dairy farming. It is an important matter throughout the country, but especially so for East Anglia, and particularly for Suffolk and south Norfolk and for Waveney valley in my constituency. All Members here today would like to see the re-establishment of a thriving, profitable and sustainable agriculture sector in the United Kingdom. About 15 or 17 years ago, the country produced 70% of its own food, but we now produce only 40%. There is a strong case for supporting the development of much greater food security and food sustainability, and the dairy sector has an important part to play in that.

Milk prices affect dairy farmers from time to time, but the dairy industry has faced a particular crisis over the past few months and, as a result, at least eight farms in East Anglia close to my constituency are no longer in business. The key factor is the price that dairy farmers receive for their milk. There is a tension between the price paid by the consumer, particularly given the current economic climate, and the price that retailers pay milk producers. Nevertheless, if we want to maintain a profitable and thriving agricultural sector, we need to ensure that milk producers receive a fair price. At the moment, Britain is third from bottom in the European league table for the price that our milk producers receive, which is unacceptable.

I know that the Minister is familiar with a number of these factors as they affect Suffolk, having originally been with AtlasFram farmers, but the point of this debate is to focus on what the Government can do to support the British dairy industry over the next few years, particularly in the current crisis.

Sarah Newton (Truro and Falmouth) (Con): I congratulate my hon. Friend on securing such an important debate. The future of dairy farming is important to people throughout the country, as we need greater food security and must produce more of our own food. Does he agree that it is about not only the supply of milk, but the products that are made from it? Those products are important to the economy of Cornwall. They include not only our famous clotted cream but our ice cream, cheese and yoghurt, which all depend on healthy supplies of milk. Many dairy farmers in my constituency, like those in my hon. Friend's, face the prospect of having to give up that important part of their livelihood, along with their farming traditions.

Dr Poulter: My hon. Friend makes a good point. I want to focus on milk, but others may wish to discuss other milk commodities and derivatives. Many retailers do not pay our dairy farmers a proper price for the commodities that they produce, as she has said so eloquently, but I shall focus on milk because, for producers throughout the UK, milk is the main produce of the dairy farm. None the less, I accept that the price that those farmers receive for yoghurts, cheeses and other milk-based products is a problem.

There has been increasing coverage of dairy farming issues over recent months, and I am sure that the Minister is aware that a key problem is the contracts that dairy farmers are tied into with the retailers. Before going into that aspect, however, it is worth setting out the background to the problem.

There is increasing concern that the milk industry is in crisis. Milk is a perishable product, as we all know, and farmers have little choice but to enter into contracts that often feature exploitative terms and conditions. These contracts contain no certainty about the price that will be paid from month to month, and producers are locked into contracts with notice periods of 12 or 18 months and with penalty clauses from the moment that they announce that they wish to move to another retailer. Such penalty clauses often include a section on price, which adversely affects the farmer.

Stephen Phillips (Sleaford and North Hykeham) (Con): I congratulate my hon. Friend on securing this debate. Both he and the Minister know that this matter is close to my heart, and I hope that my private Member's Bill will receive his support on Friday—I am sure that it will.

My hon. Friend has mentioned contracts. Does he agree that the major problem faced by the dairy industry is that retailers regard milk as a loss-leading product, and that they use their superior position in the market to drive down the price in a way that has made dairy farming unsustainable for many producers? The Government need to tackle that issue.

Dr Poulter: I thank my hon. and learned Friend for his intervention. The point is that the framework around those contracts has helped to keep the market subdued. As I have indicated, Britain is third from bottom in the league table of what farmers are paid for their milk in Europe.

The average European Union milk price in March 2011 was 29.72p per litre, but it was only 26.59p in the UK. For most farmers, over an average year that 1p a litre amounts to between £80,000 and £100,000. On average, British farmers are being paid £300,000 less than the European average, which is unacceptable if we wish to support a thriving dairy industry. We need to drill down into why British farmers are not paid a fair price for milk, whereas a much higher price is paid by European retailers to their milk producers.

Various narratives are put forward by retailers and suppliers on what they pay our dairy farmers. They say that they pay a fair price, but according to the European average they do not. They say that consumers are under financial pressure and that they need to keep the cost of milk down, and there is some truth in that. Yes, we are in difficult economic times, consumers are under financial pressure, and we want the cost for consumers to be as

[Dr Poulter]

low as possible. However, although the price of milk in the shops over the past few years has risen considerably—by 70% or 80%—the increase paid to the farmer has been disproportionately lower. There has not been the necessary knock-on for farmers, so although retailers and suppliers are benefiting from a rise in the price of milk in the shops, our milk farmers are not. That is not fair, and it is not beneficial to the dairy industry. If we do not support our dairy producers, more farms will go out of business, which will be bad because it will impact adversely on consumers given the perishable nature of milk.

The other argument often put forward by retailers and suppliers is that milk must be resourced exclusively from the UK. We all want to see retailers supporting British farmers, backing honest food labelling and buying from them whenever they can. However, given the perishable nature of the product, and given that unlike many European countries we have a particular market for fresh milk, British retailers and suppliers have no option but to buy from British producers. That is another spurious argument put forward by many retailers and suppliers, and it is not a good reason for them not to pay our British farmers a fair price for their milk.

I am pleased that the European Commission has identified the significant imbalance in bargaining power between farmers and dairies and the lack of certainty and control over the price that farmers receive for their milk. It has recognised that the problem lies with the contracts and has proposed a number of ways in which national Governments can address it.

As the Minister will be aware, the Commission's proposals to improve the position of dairy farming include allowing member states to introduce minimum legal standards for milk contracts, which would include the price to be paid for the duration of the agreement and a proper arrangement for the termination of those contracts. At the moment, when a farmer seeks to end a contract, they have to wait 12 or even 18 months before it can be terminated, but the penalty clause kicks in immediately, which means a lower price for the milk that they produce. That does not seem to be a fair contract, and it should be investigated.

The EU has talked about permitting producer organisations to be established, which would allow dairy farmers to come together to improve their negotiating power with dairy companies, and that would be a good thing. It has also discussed introducing greater market transparency into the dairy supply chain.

The EU has identified a number of issues with the contracts, which, as my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) has said, are at the crux of this matter. The majority of milk contracts offer dairy farmers no certainty or clarity about the price they will be paid from month to month. They allow the milk buyer to make unilateral changes to milk prices, which often take place at very short notice. Dairy farmers have great difficulty exiting such contracts. All those issues imbalance the contractual relationship between the dairy farmer and the milk buyer.

I hope that the Minister will tell us that the Government support a fair code of practice and that they will give us a little more clarity over the role of the ombudsman. Unless we improve the current situation between milk producers, milk suppliers and retailers, more and more of our dairy farms will go out of business.

It has been a pleasure to flag up these key issues, and I look forward to hearing from the Minister and my colleagues.

Julian Smith (Skipton and Ripon) (Con): I thank my hon. Friend for giving way just as he is ending his speech. Is he convinced that Government-led contracts are the way ahead, or does he see the potential for a halfway house, where there is a greater focus on transparency and a greater use of nudging for all parts of the industry? In other words, does he think that we need to legislate to address the contract issue?

Dr Poulter: Instinctively, I do not like unnecessary red tape. However, given that the National Farmers Union has already been involved in some considerable nudging and given that there is a considerable imbalance between the power of the dairy producers and of the retailers, perhaps the Government have a role to play. I agree that it would be good to see a mutually agreed solution that supports the code of conduct and the role of the ombudsman. However, if that does not work, I hope that the Government will intervene. To start with, I would like to see things being resolved without using unnecessary red tape. Hopefully, we will see many organisations taking corporate responsibility and backing British suppliers. We have seen that in the pork and meat sectors of the industry, with many British retailers beginning to show greater corporate responsibility in buying British meat and putting it on their shelves. In the dairy industry, we need to see our retailers taking a similarly robust attitude and showing such corporate responsibility as well. I want to see that first and then, if necessary, further action and intervention from the Government.

Caroline Nokes (Romsey and Southampton North) (Con): I thank my hon. Friend for giving way and for having secured this important debate. Does he not acknowledge that there are a number of retailers who are showing greater corporate responsibility? Waitrose, for example, operates a partnership of dairy farmers, one of which is based in Leckford in my constituency. Can we not encourage a greater use of that model in the rest of the country?

Dr Poulter: That is a good point. Marks and Spencer provides us with another good example. Like Waitrose, it has already shown a high level of corporate responsibility. Indeed, Waitrose has a good attitude to supporting British farming in general. My hon. Friend is right to say that there is a need for a number of companies to support a profitable and sustainable agricultural sector. The crisis in the dairy industry at the moment highlights such a need.

A number of dairy farms are being forced out of business. The prices of commodities and fuel are making it difficult for farms to be as successful as they once were. My hon. Friend is right to say that retailers should show some support, and we hope to see the model that she has mentioned rolled out across the country. However, it is important for us to trust the retailers to show that greater corporate responsibility before the Government intervene.

In conclusion, the number of dairy producers in the UK is plummeting, and the price paid for milk is consistently low. At the moment, we are 25th out of 27 in the EU league table. Input costs have soared for producers in recent years, especially over the past few months. In 2009-10, milk production was at an all-time low in the United Kingdom.

The crux of the matter lies in the fact that contracts between suppliers and producers are skewed against the producer, so that prices can be changed arbitrarily while notice periods are often 18 months or more. Most contracts are exclusive, which means that a producer can be tied to one supplier for a long period. The penalty clauses in many contracts are detrimental to the producer and favour the retailer.

The Food Labelling Regulations (Amendment) Bill will help to address some of the imbalances, and I am sure that the Minister will discuss it. None the less, retailers need to show greater corporate responsibility. The Government must be prepared to intervene if retailers do not support the industry in such a way and if the current nudges in our regulations do not work.

I thank the Minister for attending the debate and look forward to hearing his remarks. Some colleagues may wish to add some remarks on bovine TB.

9.49 am

Mr Geoffrey Cox (Torridge and West Devon) (Con): I congratulate my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) on his informed and interesting presentation of the problems affecting the dairy industry. I do not propose, as the Minister would almost certainly have predicted when I rose to my feet, to tackle the problems, serious though they are and requiring pressing and urgent attention as they do, of the unfairness of the contractual situation between dairy producers and the processing and retail industry. It is manifest that the situation is crying out for action and I hope that after the 13 months of careful reflection that the Minister, who has responsibility for agriculture, has given the problems, ably assisted by those who sit behind him, we will see a courageous and powerful response from the Government to the legitimate interests and concerns of the vital industry that those of us who are in Westminster Hall today represent.

In standing up to speak today, I do so, as I have done many times in the past six years, to raise the subject of bovine tuberculosis in the House. I represent Torridge and West Devon, a constituency in the south-west that is probably the area of the country most densely affected and infected by bovine TV; it is certainly one of the three worst affected areas. I do not propose that the solution that I have long advocated for my own constituency should apply across the board to each area of the country where bovine TB is found. Manifestly, a solution that is appropriate to a densely infected hot-spot area will not be appropriate to an area where bovine TB is only found in widely scattered parts.

However, the Minister will know that I rise to speak with a sense of real concern. He, probably more than anybody else in the Government and possibly more than anybody else in the House, knows well the corrosive, attritional, distressing and unhappy effects of bovine TB. They not only affect the infected animals—the cattle that are slaughtered and the badgers that die appalling deaths as their lungs literally liquefy as a result of being infected by TB—but the farming families and communities who daily have to endure the strain, stress, upset and sheer unhappiness of watching their herds being destroyed, their livelihoods threatened and their farms placed under the sterilising restrictions required by the bovine TB regulations.

I know that the Minister appreciates the situation because he has visited my constituency on many occasions. I have seen him sit down in farm kitchens and I have seen him address larger audiences of farmers, doing so with an empathy and instinctive understanding that does him credit and wins the trust of those who listen to him. For the six years that I have been in the House, I have been intensely grateful to him—first while he was in opposition and now that he is in government—for those visits to my constituency and for the words of reassurance and the empathy that he has offered to the farming community that I have the privilege to represent.

Nevertheless, the Minister knows what I am about to say next; it is time to deliver. For six years, we have told farming communities in the UK that if the Conservative party reached the corridors of Government we would take hold of the situation and tackle this dire emergency that, like a flame slow burning, is consuming farm upon farm throughout the south-west. We have told farmers that we would not fail to have the moral courage to bring the only solution that will deal with the problem for the areas I represent.

The Minister knows what I mean. We cannot rule out a policy of limited, targeted culling; indeed, we must urgently embrace such a policy. It is the only way to tackle the issue in Torridge and West Devon and it is vital that the Government now firmly embrace that policy, as it is the only one that will yield results.

As the Minister knows, I was a member of the Environment, Food and Rural Affairs Committee in the last Parliament and consequently I do not propose for a moment that we apply a simplistic solution; nor do I suggest that culling alone is the only prescription that will bring success. As he also knows, I have long advocated, and I long criticised the last Government for not implementing, a full package of measures on the cattle side, biosecurity and all the areas of animal husbandry that need to be improved, including vaccination when we can see it. However, we cannot have a package of measures that does not include culling where it is necessary, such as those densely infected hot-spot areas where the risk assessment concludes that it is a necessary part of any prescription or solution. We cannot exclude a cull.

The Minister has sat with me and listened to farmers in Torridge and West Devon as they explained why they feel so strongly that a cull is necessary, how they have taken steps to prepare for it and how they feel it could be carried out. I know that he has been looking at the problem of bovine TB and that it has preoccupied him; it is probably one of the major priorities that he has been dealing with. Consequently, I hope that he will forgive me for expressing the real anxiety and apprehension of farming communities in the south-west that the Government may be losing their nerve.

I very much hope that that is not the case. I was at the Devon county show a couple of weeks ago, and, as ever, the exchange of views was frank and robust. The Minister had recently appeared on television and had apparently said that we may not even have a cull. I appreciate that

[Mr Geoffrey Cox]

at this stage he must be considering a policy that is based on evidence and that is carefully fashioned to the reflect the existing scientific knowledge of the subject, but there is growing concern among the farming community that the Government may not be living up to the height of expectations on this question.

I urge the Minister to take the opportunity this morning to deal with the subject by at least giving encouragement to the people I represent and those who are listening to this debate that he fully appreciates the importance of the problem, and that he understands the need to find a way to ensure that the policies that the Government implement to deal with this disease that is raging throughout the countryside of the south-west will include all necessary instruments.

Of course I understand that the Minister will have a judge looking over his shoulder and that any policy that is subsequently introduced will almost certainly be challenged in the courts by those who wish to suggest that it offends judicial review principles. The Welsh case, which is the only example that we have to go on at the moment, demonstrated that if one did not attach great importance to fashioning a policy that would pass the test of administrative and legal scrutiny, matters could be delayed even further. I have spent the past 13 months patiently explaining to farmers down farm lanes and at cattle markets that that is so. After 13 months, it is to be hoped that the Minister is close to a solution.

The Welsh case did not for a moment propose, nor did the judges ever say, that to make culling an instrument of policy was unlawful. As the Minister knows well, the Welsh case simply criticised a logical flaw in the way that the Welsh Assembly and its Executive had gone about consultation on that specific matter and that specific formation of policy. It would be relatively simply avoided with care and preparation by this Government.

I cannot be privy to the private discussions, the policy formations and the preparations that the Minister is involved in. Perhaps all the things I have said today are entirely redundant and superfluous—I very much hope that they are—because the Minister is about to cause a sigh of relief throughout the south-west by announcing a new policy on the control and eradication of bovine TB. When he does so, the feeling across the countryside—in Devonshire, in Cornwall and in all the parts so badly affected by this pernicious disease—will be of intense gratitude and admiration for the moral courage and consistency that the Minister will have shown. During my six years as an MP, the Minister has been a friend to the farming communities that I have the privilege of representing, and by announcing the policy that I urgently press upon him, he will prove himself, once and for all, to have been a friend who stood by them at a time of crisis and emergency.

I hope that the Minister will rise to his feet to deal, of course with the matters that my hon. Friends raise on the importance of fair contracts, but with bovine TB, which is probably even more important to the dairy farmers listening this morning in the places that I represent, waiting anxiously for what the Minister is to say. So deeply afflicted is the south-west—specifically the areas that I represent—that I urge him, when he rises this morning, to have in the front of his mind the families he has met, the farms he has visited, the herds he has seen and the pride in the eyes of those who look after them, and to reach out to them and give them the courage and encouragement that it is our duty to permit them—saying to them that the Government understand the problem and are coming forward with the solution that those families so fervently and expectantly await.

10.1 am

Mr William Bain (Glasgow North East) (Lab): I congratulate the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) on securing the debate and on articulating the concerns of many people in the dairy industry about the operation of the UK milk and dairy market sectors. I commend the interventions made by hon. Members and the remarks of the hon. and learned Member for Torridge and West Devon (Mr Cox) who spoke very movingly about the impact of bovine TB on small farming communities in the south-west.

In the past six months, we have had several debates on this subject, both in this Chamber and in European Committee A. What has emerged from those debates and from the speeches this morning is the need for good intentions on the part of the Government to be turned quickly into firm action, and the Opposition believe that such action is needed in three areas. First, the Government need to signify their support for the EU's adoption of standard contracts for the dairy sector—should member states wish them to apply in their territories—to ensure greater parity in bargaining power between producers, processors and retailers. Secondly, there needs to be a grocery code adjudicator with greater powers of market intervention and greater independence from the Executive than is proposed in the Dairy Farming Bill, with the adjudicator being allowed to impose fines and other sanctions on those operating anti-competitively in dairy supply chains. Thirdly, further incentives in innovation and in research and development are needed to ensure that the British dairy industry has a financially viable future in delivering the highest-quality products both for domestic consumption and export, while cutting its share of greenhouse gas emissions, as indicated in the "Dairy Roadmap" report published this year.

There is evidence that dairy farmers in Britain face problems because of the operation of milk supply contracts in the marketplace. Current milk contracts deny milk producers real stability in pricing and stifle competition and innovation. The National Farmers Union has established that average EU milk prices this March were 14% higher than they were a year ago, at 29.72p per litre, but in the UK the price was 26.59p per litre, which, at 10.2%, is the fourth-lowest increase among the five highest EU milk-producing member states.

The hon. Member for Central Suffolk and North Ipswich has pointed out that the UK has the third-lowest milk price per litre in the EU, beaten only by Slovenia and Romania. The "NFU Cost of Milk Production Report" states that the average cost of milk production was 29.1p per litre between April 2010 and March 2011, which represents a shortfall of 2.76p per litre between the cost of producing milk and the price that the farmer receives. Added to that, dairy farmers in the UK face rising input prices, and the greater demand for dairy products is leading to increased imports.

The European Commission proposals to introduce standardised contracts for milk producers across the EU offer the opportunity for greater stability, alongside

an equalising of contractual bargaining power for milk producers. The plans would allow the establishment of collective producer organisations, which have proven successful in other parts of the world in securing fairer farm-gate prices for milk, and member states could create greater transparency in the terms of milk contracts by regulating duration and price, as well as rights of termination should member states see fit. Importantly, the plans would also require milk processors to declare information on milk deliveries. It is vital that the Government indicate—I hope, this morning—whether they will accept the Commission's proposal to permit national Governments to introduce contracts across all milk supply and delivery chains and whether they will be prepared to enter into further collaborative work with the industry on the wider reform of contractual arrangements, including price variation and exclusivity of supply.

Another important point to address is the competition that the EU dairy industry faces from China and other dairy producers in south-east Asia and from some of the developing economies, as that will become increasingly important in the coming years. The annualised annual growth in the Chinese dairy sector between 1998 and 2008 was 10%, and the increasing demand for dairy, specifically milk, products in south-east Asia will further drive global demand.

On the environmental impacts of dairy farming, the Opposition's view is that we need to further incentivise farmers who are doing the right thing—for example, recycling water from the milk cooling processes and harvesting rainwater. We know from the Foresight report published earlier this year that an increase in sustainable food production to feed 9 billion people across the world by 2050 will mean producing more food with less water and making better use of soil, so we ought to give fiscal and other incentives to farmers in this country who already do the right thing and simply need additional Government support to continue to do so. Energy efficiency across the dairy sector has increased by more than 27% over the past decade, thus leading to a reduction in emissions equivalent to 270,000 tonnes of CO_2.

We therefore face a number of challenges. First, on contracts, the retail sector might not be willing to make changes to give farmers a fairer price.

Julian Smith: May I ask for clarification about the Opposition policy? Is the shadow Minister saying that he now believes that we should have contracts in the UK, or does he agree with me and my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) that we should begin by exerting significant pressure and by nudging the industry much more strongly in the first instance?

Mr Bain: I am not a great fan of nudge theory, but I believe that the Government could do a great deal by indicating that they support the broad thrust of the Commission's recommendations. That could lead to changes in practice by the supermarket sector and other processors. The Opposition's position is one of agreement between producers and retailers where possible and regulation where necessary. If it is established that even the most profound of nudges from the Minister has not brought greater fairness in the prices that the retail sector offers our producers, regulation may well have to be the answer. There is a great deal more consensus across the House than might have been immediately apparent.

On the future of the dairy sector, we must sort out the problem of contracts, because they are driving unfair prices. We must also continue to consider the environmental impact of the dairy sector. Some people want far less meat and dairy to be consumed in this country. I believe that one of the best ways to counter that argument is to show and deepen the dairy sector's environmental sustainability and reduce its greenhouse gas imprint. The Government should work hard with the industry on that front. We must be aware of competition from overseas. We hope that the Doha round of World Trade Organisation talks can be resuscitated to end damaging subsidies and open the issue of animal welfare standards, to the benefit of milk producers in the United Kingdom and across the EU.

If the Government take those three steps and make great progress over the next four years, it will lead to a better, fairer and more financially viable dairy sector than we have at the moment. I hope that, in his remarks, the Minister will outline how he will deliver that.

10.12 am

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I congratulate my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) on securing this debate. It was widely discussed when I was at the Suffolk show last week, so I was given plenty of notice that I would be grilled on these issues. I also thank my hon. and learned Friend the Member for Torridge and West Devon (Mr Cox). I am not sure whether he was appearing for the prosecution or the defence, but his speech not only contained the gravitas that we expect but correctly conveyed the huge importance that the dairy and beef sectors attach to the issue of bovine TB, to which I will refer in a few moments. Finally, I thank the hon. Member for Glasgow North East (Mr Bain). As he has said, there is probably agreement among the parties about where we need to go.

I will address some of the points made by my hon. Friend the Member for Central Suffolk and North Ipswich. He said that our food production is 40% of our total food supplies; it is actually well over 50%, and we could produce more than 70% of our food indigenously. I do not want him to think that things are worse than they are, although I want to improve both positions.

It is worth making the point that we are the EU's third largest milk producer, well ahead of the only country that we might reasonably say could do better than us, Ireland, which has the temperate climate and conditions to grow grass for more of the year and more effectively. With the exception of Ireland, we should be competing effectively with every other country in the EU.

My hon. Friend and others are entirely right that the industry is under huge pressure. Members who watched "Countryfile" on Sunday evening will have seen yet another auction of a large dairy herd by a farmer going out of business. However, we have a slight conundrum. Although the number of dairy farmers is decreasing significantly, by an average of 5% a year over the past decade, there has been no such dramatic reduction in

[Mr James Paice]

the number of cows or in the amount of milk that we produce. In fact, milk production in the UK increased by 500 million litres last year, and it is now almost back to the level of three years ago. That is due to the expansion of herds by many farmers, as well as to genetics, better feed and so on, which cause individual cows to produce more milk. From the Government's perspective, we are faced with a dilemma. Are we interested in supporting individual dairy farmers or the industry and this country's ability—to return to the issue of self-sufficiency—to produce the milk that we need at home? It is a conundrum, and I do not pretend to have the answer.

The state of the UK market is easily clarified in some round figures. Roughly 50% of UK consumption of milk and dairy products is liquid milk, almost all of which is domestically produced—as my hon. Friend has said, carting liquid milk overseas is not common. Another 25% of the market is milk products such as cheese, yoghurt and so on processed from British milk. The other 25% is processed products imported from abroad. It is fairly easy to divide the market into those three.

To return to my point about the European market and competition from elsewhere, there is no doubt in my mind that we should be able to compete much more effectively with other countries, with the possible exception of Ireland, in the 25% of the market that consists of imported processed products. My hon. Friend made a great deal of the prices being paid by our supermarkets. I am not saying that supermarkets are without fault, but the real issue is the price being paid lower down the chain at the processed end.

The latest milk prices—they are published weekly, so this is open information—say that the highest price being paid for milk is 29.01p in the dedicated supply chain for Marks and Spencer through Dairycrest. The second highest is in another dedicated pool, for Sainsbury's, through Arla. The lowest, at 23.8p, or more than 6p a litre less, is paid by North Milk Co-op. A little above that, the supplier First Milk pays 24.2p. The table that appears in the farming press each week simplifies things slightly, but the top half of prices mainly go to the liquid trade, while the bottom half go to the processed trade. There are exceptions, but that is a general point. Increasing the price paid for processed milk would improve the overall situation for everyone.

As my hon. Friend has said, the retail market is important. The average farm-gate price in March was 26.57p a litre, which is 10% higher than the year before, although, as several people have said, costs have rocketed proportionately or by even more. However, the retail price of a 4-litre carton of milk is about 55p a litre, which means that the processor and retailer take 28.5p a litre—that is more than the dairy producer, the guy who keeps the cow for 365 days a year, takes—just to bottle, distribute and retail the milk. There is no doubt, as the Dairy Council and others have shown, that the share of the overall retail price taken by the farmer has stayed the same or even fallen, the share taken by the processor has stayed roughly the same and the share taken by the retailer has rocketed. There are questions to be asked about that, and I will come back to them in a moment.

I will discuss the shape of the industry to demonstrate to my hon. Friends that the issue is not only about liquid milk or about supermarkets. Much has been said about the European package, particularly about contracts. The first thing to say in response to the hon. Member for Glasgow North East is that we are a long way from any decision, because we do not have the European Parliament's decision yet. That is a post-Lisbon treaty event that involves the European Parliament. I will come back to the other points, but we support the issue of contracts as presented by the Commission. We support the proposal that individual member states should be able to make contracts compulsory in their own country, if they so wish. As far as England is concerned, I have already said publicly that, if that is what the end version looks like, we will consult the industry about whether to have compulsory contracts, but I have not hidden my view that I do not think that they will achieve what people believe they will.

That is the point that I want to address, because my hon. Friend the Member for Central Suffolk and North Ipswich paid great attention to the issue of contracts. Let me make it clear that, in the UK, virtually all farmers have contracts, which takes us back to what is in them. The main reason why this matter features so highly in the European dairy package is that most dairy producers in other countries do not have contracts, so for them it would be a great innovation. Although this is a devolved issue, it is relevant to the UK and, as far as England is concerned, it is clear that the proposal as it stands—we do not know how it will end up—does not allow individual member states to lay down minimum standards or terms in the contract. It says that the contract must address the issue of price, either by setting a price or a formula, but it does not allow the member state to set it. It will be open to negotiation between the producer and processor to decide the price or formula by which the price is arrived at.

Similarly, the contract must address the issue of duration, but it does not allow the member state to lay down a minimum duration. Some, including the National Farmers Union, seem to think that the contract should include a lot more. We can argue about whether it should, but it does not. The proposition from the European Union does not allow member states to lay down detail on standards, which some seem to believe that it should. That is why I do not think that it is the panacea that some have made it out to be.

Stephen Phillips: Given that, as the Minister has said, the package is not the solution to the problem, and given that he has identified the discrepancy between what is paid for liquid milk to, on the one hand, those who supply it as liquid milk and, on the other, those who process it, is the solution not for the Government to bite the bullet and set a minimum price for dairy products, at least in England? Will the Government therefore support my private Member's Bill, which will receive its Second Reading on Friday?

Mr Paice: My hon. and learned Friend must be aware that it would be contrary to EU law for us to set a minimum price. The whole common agricultural policy has—with, I think, cross-party support—moved away from the idea of Government setting prices, whether at a member-state or EU level. That has been the big reform of the CAP over the past 15 to 20 years, and it is right that we move in that way. I do not think that the answer is to set a minimum price. The Government's

role—I will return to this in a moment—is to try to make sure that the market is working properly. There is parity of power, wherever possible.

Let me turn to an issue raised by the hon. Member for Glasgow North East. We fully support the proposition in the European dairy package that producer organisations should be allowed, although we are concerned about a point of detail regarding how big they will be allowed to get. However, the only two significant co-operatives in this country—Milk Link has about 13% of the market and First Milk has about 10%—are light years away from what we believe should be the maximum, namely 25%, or the EU proposal of 33%. To be honest, that upper limit is relatively hypothetical at the moment, because we are nowhere near it. Even if the two merged—it was once proposed that they should merge; the merger was approved by the Office of Fair Trading; but they decided not to—they would still not be up to the maximum. I need to make it clear, therefore, that nothing today prevents groups of dairy producers from getting together to become a producer organisation. Indeed, the Secretary of State, in her speech in Oxford, and I have frequently said that we strongly encourage them to do so. However, Government cannot force farmers to work together, and it is for them to do so.

The final point on the package concerns transparency, to which the hon. Gentleman referred. We strongly support a transparent marketplace. Obviously, there is a limit in terms of regulation and bureaucracy on how much information it is sensible to demand, but we support the principles of transparency in the package.

I am in the unusual position of having a bit of time to respond to the debate, so let me now address some other issues. The supermarket adjudicator takes us back to my point about parity of power. The Government have published their Bill, and I was interested to hear the Opposition's concerns. I am not too clear on all of them, but one related to the adjudicator's powers to impose fines and other sanctions, although I am not sure what they are. Let us be clear that the Bill provides the option for the Secretary of State to give the power to provide fines. In other words, if we find the adjudicator's initial power, which might be described as the name-and-shame approach, to be inadequate, the Secretary of State can provide it with the power to impose fines. I do not think that we in this Chamber necessarily understand the relative import of that. The big retailers assure us that that is totally unnecessary, that they do not break the code, that there is no need for an adjudicator and that they are all doing the job properly. I am sure that they have assured everyone present of that. They all pay a huge amount of attention to their reputations. They want their good name to be known and seen. If we say, "We're going to fine you instead," what level of fine would make any difference to one of our big retailers? That is the question. The level would not be £10,000. I do not even want to guess what would actually influence their behaviour, but it would be many times that. We therefore have to consider whether that is really a sensible way forward, commensurate with all the other issues of fines, levels of fines and penalties throughout the country. I think that we underestimate the power of damaging somebody's reputation in that way.

The hon. Gentleman also referred to incentives for innovation and development, particularly in relation to energy saving. He referred to the industry road map. I am not sure whether he or any other colleagues were present when I launched the industry road map a few weeks ago, but one of the most telling charts in the document—I do not take any credit for this, but it is worth making the point—shows that the dairy producers who had the highest margins also had the lowest carbon footprint. Fiscal incentive, to which the hon. Gentleman referred, is therefore built into the system. Of course, we can provide fiscal incentives from the rural development plan for England, but the real incentive is that it is profitable to conserve energy, which the report clearly shows

We are putting in place other things and taking action on them. My hon. and learned Friend the Member for Torridge and West Devon is looking at me with beady eyes—I have not forgotten his remarks. We hope that the Government buying standards will be published shortly. They will lay down particular criteria, so that the Government will lead by example. The Macdonald taskforce on regulation made a number of proposals about nitrate vulnerable zones, which are hugely important to the dairy sector. We are taking those forward as fast as we can. Indeed, at the outset, I was able to announce that we could accept one or two areas relating to NVZs immediately. I am looking across the whole of that issue and am considering how we can reduce its impact and cost.

I am trying to reinvigorate and revitalise the dairy supply chain forum, which was set up by the previous Government. I want to ensure that the only people who come to that forum are chief executives or board member equivalents and that it has an important role because, at the end of the day, the real future of our dairy industry lies not in the hands of the Government, but in the hands of the industry. I am trying to ensure that the retailers, the processors—whether they are bottlers or processors into commodities—and the producers are all around the table and that they are working together to iron out the problems and take things forward. Price is important and I wholly understand the dairy farmer who says, "I need more for my milk." However, the Government's job is to ensure that the whole chain is working. If we can do things to take costs out of the system, it would be equivalent to a price rise, although it may not be so readily seen as that.

On income other than that derived from price, let me refer to the two big groups that I have mentioned, First Milk and Milk Link. They are nothing in European terms but, in UK terms, they are pretty substantial producer-owned organisations. They got off to a rocky start, and there were big problems with paying low prices and members having to put up large sums of money. Of course, the third group—Dairy Farmers of Britain—fell by the wayside a couple of years ago. However, those two organisations are now making progress and have chief executives who understand the new world in which we are operating. For example, the chief executive of First Milk has opened up a global pool, whereby when the price of skimmed milk powder on the world market is equivalent to 33p a litre, farmers can say, "Why aren't we getting it?" They can get that price, although perhaps it will not be quite as much as that. There will be a pool of milk targeted at global price commodities. Of course, there is a downside, because if global commodities collapse—they have done so in the

[Mr Paice]

past—so will the pool price. However, such an initiative allows that issue to be addressed and is an ingenious and innovative approach.

Milk Link—I hope First Milk will follow—is paying dividends to its farmer members, which is important. People who have invested in shares and through their commitment to a farmer-owned business are entitled to receive a dividend—a share of the profit. That is just as important to them as the price of their milk, and it is part of the return to their business. From what I have been saying, colleagues will not be surprised to learn that I am an enthusiast for farmer-owned businesses and think that they are the way forward. However, there is a limit to what the Government can do. We will exhort all we can, and if there are any barriers in the way we will do our very best to lift them, but we cannot force farmers to work together.

Finally, I come to the issue of tuberculosis. I am grateful for the words of my hon. and learned Friend the Member for Torridge and West Devon about my personal commitment to the matter, which is completely and utterly undiminished. However, as he has said, we must get things right. A number of his presumptions about why we have not yet been able to make any final decision were accurate. We launched our consultation in September, and it concluded before Christmas. As I have said repeatedly in public, that consultation threw up some serious issues that must be dealt with because, as he rightly presumes, we would almost inevitably be faced with judicial review if we were to decide to go ahead with the badger cull. Several of those issues have taken some tackling. We are working with our own lawyers, and we have retained QCs to advise us. As he will know from his own eminent career, they have raised all sorts of issues to which we must have answers in the courtroom if the situation arises.

I can tell hon. Members that we are getting to the position whereby a decision can be announced and, as my hon. and learned Friend has rightly said, there will be an overall package of measures. This has been a good debate and I do not want to raise the politics of the matter too much but, apart from the issue of badgers, my other big criticism of the previous Government is the piecemeal approach that they adopted to tackling TB. They should have grasped the issue by introducing a comprehensive package and used every available tool in the toolbox, as many people in the industry have said.

I can tell hon. Members—this is not what my hon. and learned Friend wants to hear at this stage—that we hope to make a full announcement before the House rises in July. That will comprise a decision on the issue of badger culling as well as a wider package of measures. He picked up the point that I have been reported as implying that we might not be going ahead with a cull. As a lawyer, I am sure that he fully understands that if one has not made a decision, there has to be a question mark in both directions over what that decision might be. I say to him and hon. Members that, as I expect is blatantly obvious, that decision is not just for me, but for my right hon. Friend the Secretary of State and, indeed, the Cabinet to make. Such a major decision is hugely important, and we must get it right. We need to ensure that the whole Government support the final decision, whatever it may be. As I have said, I assure hon. Members that the decision will be announced before the House rises in July.

As you have rightly said, Mr Hollobone, this has been a tremendously good and very important debate. I am grateful for the opportunity to take a little longer than usual to elaborate on some of the issues. I hope that I have impressed on hon. Members the Government's determination to tackle a number of these issues and to move forward. As I have said, it is not all in the Government's hands, but what we can do, we will do. I pay respect to my hon. Friends' commitment—those who are here now and those who have been in and out of this Chamber during the debate—and to that of my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski), who is sitting behind me. He was the founding member of the all-party group on dairy farmers, but now he cannot discuss the matter, because he is acting in another guise. Many hon. Members rightly feel very strongly about the importance of our dairy sector. It is the biggest sector of British agriculture and long may it remain so.

Mr Philip Hollobone (in the Chair): I congratulate the hon. Member for Central Suffolk and North Ipswich on securing the debate and thank all those who have taken part. The sitting is suspended until 11 o'clock.

10.37 am

Sitting suspended.

Heritage Assets

11 am

Stella Creasy (Walthamstow) (Lab/Co-op): It is a pleasure to hold this debate under your chairmanship, Mr Hollobone.

Local communities throughout the country face the challenge of joining up the powers that we give to them to act in their local areas with their ambitions for those areas. Many people are concerned about that situation, and many levels of frustration are experienced by a lot of people—in particular, by those charged with protecting our heritage, as they cannot do as much as they would like to support communities. Today, I hope to interest the Minister in some possible courses of action that would help to support the passion of such communities throughout the country.

This debate is not about planning policy per se, but about heritage and how we could revise the way in which heritage is defined and enacted to better ensure that our nation is not simply preserving its heritage but can enjoy and experience it. We have a large amount of time, for which I am grateful, to talk about what we mean by heritage, what that means for policy at present, the difficulties facing some of those who seek to use current powers and what can be done to address those difficulties.

It will not surprise any hon. Member in the Chamber, especially the hon. Member for Stoke-on-Trent Central (Tristram Hunt), that someone from Walthamstow is concerned about heritage. My part of the country has a long tradition, especially with the influence of William Morris, who founded the Society for the Protection of Ancient Buildings. Founder members back in the 1800s were deeply concerned that well-meaning architects were scraping away the historic fabric of too many buildings in their zealous restoration. Morris was worried about the danger of restoration. The Victorians plastered over beautiful interiors of mediaeval architecture, and he wanted policies to repair, rather than to reproduce, that fabric. He might have approved of the flowery way that modern policy has defined the concept of heritage, because it speaks to the feeling that it is more than physical infrastructure.

The Department for Culture, Media and Sport's policy paper on the listing process says:

> "In its broadest sense, the historic environment embraces all those aspects of the country that reflect the shaping hand of human history.

Today, I am concerned about the concept of heritage in that broader sense. We want a vision of heritage and history that is not just about the preservation and physical existence of buildings alone, but one that provides a progressive concept of heritage, involving the experience and enjoyment of all assets by all people. There is a lot of support for that vision of heritage among the British public.

Interestingly, in an era when the public will not join us in political parties, millions of them join organisations that campaign on and protect our heritage. The National Trust has a membership of nearly 3.8 million, and English Heritage has nearly 700,000 members. Many organisations that work with communities to try to protect heritage are reporting a stronger than ever passion for involvement in the preservation of buildings and restoring them to public use. The Heritage Lottery Fund has reported that, and it is not hard to see why. Countless surveys on the role of heritage in our cultural identity and sense of place reveal how important people believe those assets are. They help us to create a distinct sense of place and to know where we come from, and perhaps also where we are going.

People's vision of heritage is not narrow. It is not just about buildings that are centuries old—75% of us believe that the best of our post-war buildings should be preserved, and that rises to nearly 95% of people aged 16 to 24. The concept of what is important, what markers help us to define the areas that we live in and why they matter to us is not confined to a small number of buildings, but includes a sense of place. When one talks to people about heritage, they say that local buildings are equally important as the grand sites that we might traditionally associate with heritage debates. A survey in 2000 found that, for most people, the concept of the historic environment was the places where they live, not heritage sites such as castles, churches and stately homes, and that reflects current heritage policy. Two thirds of all heritage assets are privately owned, which reflects the fact that they are often small houses and local sites, instead of just big public buildings.

We define buildings as our heritage, but turning our ambitions for what happens to them has always been a challenge. We make a comparison between campaigning in poetry and governing in prose, and there is a comparison between the poetry of our history—how we talk and think about our environment, and the passions and emotions that that evokes—and the practicality of how we act to preserve those buildings and assets.

At present, there are two ways of preserving our heritage through legislation—the element of prose rather than poetry. The primary way is through the planning process—30% of planning applications have heritage implications—particularly the role of development frameworks. I shall return to that, but they were most recently set out in planning policy statement 5 on planning for the historic environment. That very good document has been helpful to many of us who campaign on heritage in our local communities because of its breadth and specificity about what heritage is. It states that a heritage asset is a

> "building, monument, site, place, area or landscape positively identified as having a degree of significance meriting consideration in planning decisions"

and includes

> "valued components of the historic environment".

The concept of value and significance gives strong powers to local authorities when determining planning applications about the value of an asset to a community in that broader sense of heritage as not simply preservation, but enjoyment and experience.

The second power is the listing process, and I want to talk about that today because it falls into the Minister's purview. In this country, we differentiate types of buildings and their status and stature through that process. The guidance states:

> "Many buildings are interesting architecturally or historically, but, in order to be listed, a building must have 'special' interest".

I call that the Marks and Spencer approach to buildings, which needs a voice-over saying that they are not just any old building; they have a special role in a community.

[Stella Creasy]

With my constituency hat on, I point out that the listing process was introduced in the Town and Country Planning Act 1947 under the auspices of one of my predecessors. Clement Attlee, the former MP for Walthamstow, found time to introduce some important measures that we still support today. Walthamstow has a strong claim to being an area that promotes heritage in many different ways. The listing process has a range of grades covering 374,000 buildings in the country, whether grade I, grade II* or grade II.

The variation in what is listed reflects the sense that heritage is about more than simply the physical fabric of a building and includes its interest and contribution to our cultural identity and history. A wide variety of buildings are therefore listed, including the Birmingham New Street signal box, the Park Hill flats in Sheffield, and even some toilets in north London and the Elephant and Castle in south London. A wide variety of buildings and places are seen as significant, and we value them accordingly. What matters is not just the craftsmanship in the nave of a church or the detail on an architrave, but the way in which places have been a focus for activity for citizens for decades, if not centuries.

It is important that listing does not mean, as Morris might have wished, that a building is set in stone—pardon the pun; it is not a preservation order preventing change, but an identification stage when buildings are marked and celebrated as having exceptional architecture or historic special interest before planning decides their future. I strongly agree with that principle, and I want to make it clear that I am not talking about preventing progress and change in such buildings, particularly when that might lead to a greater ability to achieve our vision of heritage—the experience and enjoyment of a building. That raises an interesting question about which other areas of public policy have such wide potential to cover such a range of buildings, institutions and ideals, as revealed in the mystery of the listing process.

The criteria that can be used to make a claim include not just the architectural interest of a building, but its historical interest. A classic example is the Walthamstow dog track in my constituency—a listed building that has

"special historic interest as the best surviving and most celebrated inter-war greyhound stadium"

and is a

"nationally loved building type expressive of developments in inter-war mass culture and entertainment."

That building, and its place in Walthamstow's history, tells us everything about Walthamstow's position in east London. As the local MP, "What's happening to the dog track?" is often the first question that I am asked when I state which constituency I represent. People often regale me with stories about nights out at the dog track, or the things that they have heard about it such as when Brad Pitt visited, or the time that Winston Churchill was heckled. The best stories that I have heard come from a gentleman named Norman Roach, who still lives in Walthamstow and is now 88. Norman went to the dog track as a young boy and attended the opening ceremony when Amy Johnson was there. He carried on working at the track and met Lana Turner and George Raft.

For me, the dog track is not about heritage as nostalgia. The passion that I share with Norman comes from the idea that such buildings can be anchors around which our future is shaped, not just in Walthamstow but across the country. At present, Walthamstow dog track lies derelict. It is currently owned by London and Quadrant housing association, which bought it in a private sale in 2008, before the local community had time to offer an alternative plan when the site was put up for sale. London and Quadrant wants to turn the dog track into flats, and it has resisted proposals that have widespread community backing to sell back the track so that it can be restored. The proposal currently on the table, supported by a business man called Bob Morton, would bring 500 jobs to the local area at the London living wage. It would be run as a co-operative and the League Against Cruel Sports is working with campaigners on the animal welfare principles that would underpin the running of the track. That is the best experience that a heritage building could provide, and it would celebrate not only the culture of Walthamstow in the past, but that of Walthamstow in the future. It is an area that desperately needs regeneration, investment and local jobs.

Although London and Quadrant clings to the land and claims that it could develop the site in the face of local opposition, local people feel frustrated that they cannot make progress on the alternative proposal and the good that would come from that. I secured this debate because I wanted to look at ways in which we, as national representatives, can make progress on such issues, not only so that they involve people like Norman who remember the good times, but so that local communities can benefit from such heritage sites in the future.

There are countless examples of heritage assets that have been a focus not only for the local community but for the regeneration of a wider area. Stockport Plaza Trust has regenerated a listed cinema and been a motor for regeneration in the Stockport area. The Phoenix cinema in Finchley is another example of such an initiative. On a grander scale, many of us will have seen the developments at King's Cross and the role played by English Heritage, which worked with the local council and local developers to use heritage assets to drive the regeneration of the local area.

The idea that heritage is not simply about preservation but about the experience and the enjoyment of assets can benefit local communities. Such benefits are not simply about tourism, important though that is. The heritage and tourism industry generates about £7.4 billion in the country—not an inconsiderable sum—and 80% of people who come to the country want to see British heritage. Heritage is also, however, about helping communities to change their localities for the better, perhaps through sustainable development. William Morris would find much in modern policy to commend; he understood the environmental implications of a heritage policy and that it is better to repair than to rebuild.

There is a social impact in using heritage sites as community anchors, and 90% of people who live in areas with historic environmental regeneration plans say that such projects have fundamentally improved the quality of their lives, whether by creating jobs, or bringing pride back to the local area. Public support for assets being used in that way reflects a sense that heritage is about the experience as much as the physical appearance of the building.

Nevertheless, despite the best efforts of planners and conservationists, such examples are often the exception rather than the rule. I know that English Heritage and the Department for Culture, Media and Sport are keen to do more in the area, which is what I would like to test today. Too often, heritage is defined in a certain way and change is secured only through the planning process and formal applications. Although planning policy statement 5 has many well thought-out powers and directions, the powers for intervention and what happens next need further work.

Currently, our only mechanism for intervention is for buildings that are on the at-risk register because they are in a poor condition or are not being made best use of. We highlight those deteriorating sites through the at-risk register, but as the law stands, and as the guidelines are interpreted, there is no sense of escalation and the register is not used as a stepping stone towards more intervention. There are just under 1,000 grade I and grade II* listed buildings on the at-risk register, half of which have been on it since 1999. They represent about 3% of all grade I and grade II* listed buildings, but about 45% of them could benefit their local communities. About 80 buildings a year are added to the list, and a slightly lower number are removed. There is, therefore, stagnation regarding the at-risk register and what it means.

Over the past 10 years, the powers available for the protection of heritage sites have been used on only two buildings on the at-risk register; the Minister will be aware of my parliamentary questions on that matter. An urgent works notice can be issued for emergency works to be carried out on a listed site, but it amounts to little more than forcing owners to put tarpaulin over leaking roofs. An urgent repairs notice is often the first step towards a compulsory purchase order.

Over the past 10 years, six urgent works notices have been issued, five of them for one building—Apethorpe Hall in Northamptonshire—and one for Harmondsworth barn in Hillingdon. Over the same period, only one urgent repairs notice has been issued, again on Apethorpe Hall. Crucially, both buildings remain on the at-risk register. Local authorities often try to prevent a building getting to the stage at which an urgent repairs notice or an urgent works notice is required. Nevertheless, the fact that those powers are enacted so rarely calls into question whether they are working properly and are appropriate.

A second example from my constituency and a cause that is close to me concerns a building on the at-risk register—the EMD cinema in Walthamstow. It is listed as the ABC cinema, but known locally as the EMD. It is a grade II* listed building and

"the oldest surviving of the cinemas designed by Komisarjevsky"

in London. It is

"one of the very few cinemas (in fact buildings of any type) designed in the Moorish style in Britain."

It has a unique console; it contains the only organ outside Leicester square that is in situ in a cinema and can be played. The cinema has played a tremendous role in the history of Walthamstow. The Rolling Stones played there; again, we can lay claim to heritage because Keith Richard's granny was the mayor of Waltham Forest, and I am proud to say that I followed in her footsteps. We in Walthamstow lay claim to many forms of heritage, including rock music. The Who played at the EMD when it was a centre for cultural activity in the local community.

The EMD was sold in 2003 to the United Church of the Kingdom of God, and has been on the at-risk register since 2004. Since then, the UCKG has sought planning permission to convert the building—the only cinema operating in Waltham Forest, the home of Alfred Hitchcock—into a church. Permission has been refused twice, including once by the Secretary of State.

In February this year, squatters gained access to the building for the second time since it closed. As the local MP, I spent a long, cold Saturday night trying to negotiate with them, asking them to leave the building and ensure that it was not damaged by any of their activities. During that process, I gained access to the building, and to my horror I saw the condition it was in. The cinema had been flooded because the pump that manages the underwater stream was not working properly. The central heating system was broken and water was dripping down the walls and coming through the roof.

Time and again, the UCKG has done the bare minimum to protect the building while the question of its future remains unresolved. Following the second planning application, which was refused a few weeks ago, the UCKG told the local community that the building belonged to the Church, and that it would continue to hold on to it until it gets its way.

The Waltham Forest cinema trust is a community-led project that seeks to bring the building back to its former glory. It hopes to ensure that we are able to capitalise on Walthamstow's heritage in the British film industry, to bring the cinema back to Alfred Hitchcock's borough, and provide a resource for the local community that will generate jobs, tourism and commerce for an area of east London that desperately needs that support.

The example of the EMD cinema flags up the problems with the listing and at-risk processes, because the rave there was not the first time that there had been concerns about the condition of the building and English Heritage had been asked to visit. Each time, the Church puts up tarpaulin, and that is enough; that is what it is currently asked to do. Many of us in the local community, including Norman Roach, who was also a regular visitor to the cinema and has spoken to me at length of his concerns about it, ask how much more damage must happen to the building before something can be done.

Determining what can be done is often a very difficult process for local authorities and English Heritage. Clearly, the financial risks associated with an urgent repairs notice and possibly a compulsory purchase order make councils wary of pursuing that course. In relation to the use of powers at national level, we are also seeing hesitancy about whether powers can be justified, and in which conditions.

That shows the disconnect between some of the ambitions set out in planning policy statement 5 and broader heritage policy that we need to address. Planning policy calls on councils to consider viable alternatives when deciding whether to reject a planning application at a heritage site. If an alternative is on offer that conforms more closely to the use for which a site was originally designed, that can be taken into consideration in rejecting an application. That is a very welcome step, because it reflects the belief that heritage is about the enjoyment and experience of a site as well.

[Stella Creasy]

However, what we are seeing with the two examples that I have given, and, indeed, across the country, is that even if an application for planning permission is rejected because the heritage importance of an asset is upheld, owners can hold on to a site in any case, which leads to stalemate and, ultimately, the deterioration of heritage assets. The assize court in Devizes has been on the at-risk register since the late 1990s, but its Dubai-based owners refuse to budge. As with the EMD cinema and perhaps the Walthamstow dog track, the property continues to deteriorate. I note that planning policy statement 5 talks about that problem. It recognises that the active deterioration of a site in order to challenge, perhaps, the listed status of a building should not be part of the consideration of planning permission. How we deal with that in heritage policy is a key concern and an open question.

I suspect that at this point the Minister might point me in the direction of the Localism Bill. However, I am slightly concerned that, if anything, some of the current proposals on planning guidance may inadvertently take away the existing protections set out in PPS5. I recognise that some of the earlier unintended consequences of the Localism Bill in this area have been resolved, but there is strong concern among heritage professionals about national planning guidance proposals and the consolidation of guidance. I recognise that that is not necessarily within the purview of the Minister, but I hope that he will take the opportunity of this debate to reassure us about it and the need to retain the clarity of guidance in PPS5 in the streamlining process. That would be welcomed by the National Trust, English Heritage and the Heritage Lottery Fund.

The Minister has written to me suggesting that the community right-to-buy provisions in the Localism Bill will allow local residents to act, but in situations such as those that I have outlined, the deadlock whereby developers sit on a building means that we cannot use the community right-to-buy provisions, because they exist only at the point of sale or the potential point of sale.

As the Minister has raised the Localism Bill with me in relation to this issue before, I would welcome his thoughts on whether the community right to challenge might be applicable in some of these circumstances. I am thinking not least of the conduct of a registered social landlord and whether, perhaps as in the case of the Walthamstow dog track, the community would have the right to challenge its actions as a publicly funded institution, given its behaviour towards our local heritage assets.

Above all, these instances suggest that we may be more dependent on case law and precedent than policy in order to make real our ambitions on heritage. I recognise that there has been a discussion about reinstating the measures that had cross-party support in the draft Heritage Protection Bill. I certainly agree that streamlining the process of listing will make it easier to start the process of protection and I await the Government's next steps following the Penfold review. However, the challenge is to ensure that that does not just mean more buildings sitting on a list with no follow-up. It would be useful if the Minister outlined whether such proposals are being brought forward or, if they are not, what else we could do.

My concern is that if we do not act and nothing changes, there will be three consequences, not least of which will be the loss of such gems as the Walthamstow dog track; I think we all agree that that would be a travesty. It will also give a green light to developers who think long term and buy heritage assets with a view to waiting for them to decay so that they can be either demolished entirely or renovated in a way that destroys their original condition but ups the profit margin.

I certainly note with interest the suggestion that London and Quadrant might be looking to knock down the southern entrance to the Walthamstow dog stadium. That is listed, but frankly, it is unclear to me what difference it would make if it was star listed or on the at-risk register if the local community faced such a threat. That is only a suggestion at the moment; it has not been confirmed, as far as we know.

More important, the potential of heritage assets to do more than be mothballed will be missed. The contribution that a restored dog track or EMD cinema could make to my community will be lost. The ambition that many in the heritage world have for those assets to form part of the future of a locality as well as its past will never be realised.

With that in mind, I have three suggestions for the Minister about how policy could move forward. First, I think that the current powers around preservation need greater clarity. Planning offers a parallel process that is about use, not preservation. The heritage policy context would benefit from that. The Government should set out clear guidelines for existing policies. They should include a definition of heritage that can be tested in planning guidance, regeneration policy and the heritage world. They should encompass the concept of enjoyment and experience, as well as preservation. That might mean that fewer buildings pass the test, but it could be the foundation for being tougher about dealing with those that are on the list—that are covered by those guidelines. It could provide the ability to join up the aspirations that many people have about heritage buildings playing a role in regeneration, because grants and other forms of support could be offered that were more closely linked to such proposals, especially for tackling the relationship between deprivation and the restoration of the buildings. That is not just about planning, but about the role of development and the role that many businesses want to play in using those assets positively.

Secondly, we need to tackle what "at risk" means. If we need more clarity about what listing does for a building, we certainly need more explicit criteria for intervention when a building is at risk. I wrote to the Minister about the cinema in Walthamstow, and he wrote back to say that he felt that there was not such a case at this point in time. I disagree very strongly, as do thousands of residents of Walthamstow, and I will continue to petition for stronger measures to be taken than accepting that tarpaulin is an adequate response to the fortunes of a grade II* listed building. As I have said, the real concern for many of us in Walthamstow is what more the UCKG has to do to the EMD before English Heritage and the local authority have the confidence to intervene.

Many heritage groups want councils to have access to greater heritage expertise, which would give them the confidence to pursue compulsory purchase order processes with less fear of financial or legal risk. Surely there is a

case for English Heritage not only to provide that expertise, but to be given more power to make these types of intervention. I hope, therefore, that the Minister will commit to a review of the powers and to further research on how and why local authorities have and have not used them and what lessons can be drawn from that. The inequality in use, which reflects social deprivation, suggests that it is not just the quality of the guidance as interpreted by conservation officers that is at issue, but the support and many different types of resources needed to be able do this work so that poorer communities are not at greater risk of losing heritage assets.

I also hope that the Minister will work with the Department for Communities and Local Government to publish criteria for intervention in cases when communities either suspect deliberate damage or recognise that stalemate over the future of a building would have such consequences, so that we can all have more confidence that intervention will occur—and will mean more than tarpaulin. I hope that the Minister will commit to considering whether the proposal could include owners who damage the historical interest of a building, as well as those who let the fabric of a building deteriorate.

I hope that the Minister will consider whether there are parallels in the power to call in a planning decision that could be reversed, so that on sites of special interest the decision of a local authority not to issue an urgent repairs notice could be contested. The Mayor of London has told me of his concerns for the Walthamstow dog track, but says that at present his powers to act are limited. I know that he would certainly be interested in looking at whether he could do more.

In addition to the question about current powers and processes, there is one about whether further powers are required. That is my third suggestion. The promises that Ministers have made about community empowerment in local planning need to extend to heritage policy and should not depend on a building being run down, or an owner being generous enough to sell, in order to be active. We know that people want access to heritage sites and that planning has already identified the concept of a viable alternative as a factor that can be brought into play in the management of a decision about the use of a building. If the Government are serious about localism and giving communities the ability not only to plan for but to actively achieve the locality that they want, they should consider how that concept of viability can be built into heritage policy.

If we are not to have a heritage protection Bill, the Minister may face an uphill battle getting time for new heritage protection powers. However, it is not too late to be creative about the Localism Bill and to make meaningful the talk of community participation and the principle of listing buildings. Two thirds of heritage assets are privately owned, but approximately half of those on the at-risk register are publicly owned. If the Localism Bill has teeth, there may be more opportunities for community ownership as local authorities seek to dispose of assets to balance their books. Such measures would, however, need to work for buildings that are not in the public domain as well as for those that are.

It cannot be beyond the realms of possibility to explore the idea of a trigger process to extend a community right to bid to all assets with a specific listed status. That would force private owners to respond seriously to community-led bids if an asset was deemed to be unoccupied and to require adjudication—perhaps at Secretary of State level—as to whether the refusal to accept a bid constituted intention to encourage disrepair. At the very least, the Government could set out criteria for offering a subsidy for a community right to compulsory purchase in instances where heritage is a factor. They could also use that possibility as a precursor to a heritage partnership agreement between the owner and the local community.

Such measures may be difficult and sensitive, but if listing can take place in the national interest, this cannot be only at a single point in time. The Minister could seek stronger powers to determine when such measures could be used in the public interest. Indeed, there is a parallel in the planning appeals process. When Ministers are so minded, there could be provision in extreme cases, such as those that I have set out, and when all other avenues have been exhausted, for the Secretary of State to have a direct appeal and direct involvement.

Furthermore, we could explore the guidelines on funding for heritage grants, which at present preclude any activity until a building is definitely committed for sale, and the conditions under which such grants could be used to further actions to restore buildings if there was substantial community support from thousands of local people. There is certainly public support for that, and MORI found that 87% of people think that it is right that there should be public funding to preserve the historic environment.

Of course, I recognise that the call for such changes would require heritage bodies that do not face substantial cuts in their budgets. The mass disposal of heritage assets may cause problems in terms of our ability to make real these proposals. The introduction of buildings-at-risk officers in London has made a real difference to dealing with some of the challenges, but it requires funding.

Critically, if we are to help communities to access their local environment, they will need more resources than just legal expertise. They will need financial support, and I pay tribute to the Heritage Lottery Fund, which is trying to help many communities, but it is hampered, as I explained, by some of the restrictions that it faces, which are preventing it from making real some of its ambitions.

Even if the existing powers were clearer, and the proposals being discussed in the Localism Bill were enacted, the time they will take to have meaning will be a barrier. I therefore hope that the Minister will consider applying a schedule of escalation, including a much tighter time scale for the exercise of urgent repair notices and for any community right to introduce a compulsory purchase order.

Not all those ideas require legislation, but they do require thought and, dare I say it, joined-up government. I hope that I have convinced the Minister that we need to turn warm words on preservation into something more meaningful for the benefit of our local communities. We must have a heritage policy that is about not simply mothballing buildings for future generations, but ensuring that future generations can experience those buildings.

Norman Roach is 88, and if we do not act to improve the way the Government, English Heritage and local authorities can support communities that want to protect

[Stella Creasy]

buildings, Norman will become the sole record of our local community's heritage in Walthamstow, telling stories of the old days and giving us just a glimpse of what those assets could have offered our local area.

I refer again to our famous son, William Morris, who said:

> "I love art, and I love history, but it is living art and living history that I love. It is in the interest of living art and living history that I oppose so-called restoration. What history can there be in a building bedaubed with ornament, which cannot at the best be anything but a hopeless and lifeless imitation of the hope and vigour of the earlier world?"

People in Walthamstow share William Morris's ambition. We want to live our history, not just to look at it, and we want our dog track and our cinema back. I hope that I have convinced the Minister that he should help us to realise that ambition, and I look forward to his response.

11.34 am

Tristram Hunt (Stoke-on-Trent Central) (Lab): It is a great pleasure to speak in the debate, and I congratulate my hon. Friend the Member for Walthamstow (Stella Creasy) on securing it. We can all agree that we have heard a wonderful history of Walthamstow's inter-war cultural heritage, stretching from Clement Attlee to Keith Richards's granny, via the dog track and the cinema. I can add to that oral history, because it is almost seven years to the day that I went to Walthamstow dog track in celebration of my forthcoming nuptials. I won successively and consecutively throughout the evening, so it was a very happy event.

It is good to have the Minister here. Over the past year, he has proved himself very open to the worlds of heritage and history. I pay tribute to the Government's policy of returning to the lottery's original causes and increasing funding to the Heritage Lottery Fund. Sadly, the Heritage Lottery Fund is now the only major funder in our heritage community, and although its resources are increasing, other resources are being cut. The achievement of putting money into the Heritage Lottery Fund is being undone by the terrible cuts to English Heritage, among others.

The Minister will travel south to Dover castle on Thursday to see the brilliant new installation exploring its role in the evacuation of the British expeditionary force from Dunkirk. Having had the privilege of seeing the installation yesterday, I can tell hon. Members that that work of scholarship, interaction and interpretation, which has been produced by Anna Keay and her team, is truly awe-inspiring. That shows what this country can do to manage its history and heritage.

However, English Heritage has had a 32% cut to its grant, which is higher than the cuts imposed on UK Sport, the Arts Council and Visit Britain. That leads Labour Members to question whether the Government share the enthusiasm and admiration that the Labour party has always shown for heritage. The Heritage Lottery Fund thinks that if we combine the cuts to English Heritage with the front-loaded cuts to local authorities, which often trickle down to conservation officers and heritage officers, we will see upwards of £600 million in funding extracted from the heritage sector, which could be very damaging.

However, we are here to talk about heritage assets. As my hon. Friend beautifully explained, it is important to recognise that buildings matter. There has been an interesting shift in heritage thinking over the past 15 to 20 years, with an extraordinary opening-up of the heritage vista and a reconceptualisation of what our past means, as we look beyond cathedrals, country houses and abbeys to the houses of the Beatles and even to public toilets in north London, although I might draw the line there.

As Britain has become a more complicated and diverse community, and with the success of television programmes such as "Who Do You Think You Are?", the compulsion to look into our genealogy has accelerated. We have sought to explore ourselves, our histories and our identities. Although that is, in part, not connected to the built environment, I would suggest that it is often best explained through it.

As my hon. Friend said, the built environment is important for those of us on the left. We can point back to Hugh Dalton's work with the national land fund, to the Town and Country Planning Act 1947 and, of course, to William Morris, who lived in my hon. Friend's constituency. As has been explained, he set up the Society for the Protection of Ancient Buildings in response to what happened to Tewkesbury abbey.

For Morris, as for John Ruskin, progress meant going beyond the money-wage economy, spurning mass production and specialisation and rejecting some of the ethos of the industrial revolution. For Morris, old buildings—heritage—were signs of what freely given, unalienated labour could achieve. As Ruskin explained in "The Stones of Venice", his wonderful account of the meaning of the buildings in Venice—you will remember, Mr Hollobone, his description of St Mark's palace, which he compared to the Book Of Common Prayer—he was exploring history through the stones. Buildings were celebrations of work, faith and meaning—the very antithesis of a modern commodity—and protection was an act of defiance against commodification and capitalism; it was a defence of pleasure and humanity, a gesture of hope and possibly something of real, practical value for generations to come.

The shadow Minister, my hon. Friend the Member for Ashfield (Gloria De Piero), will explain how, in our socialist future, historic buildings will be the germs from which socialist art will spring. In 1889, William Morris argued:

> "It is degradation and not progress to destroy and lose these powerful aids to the happiness of human life for the sake of a whim or the greed of the passing hour."

All of which makes the defence of our heritage assets so important. You will know, Mr Hollobone, that that is particularly the case in Stoke-on-Trent.

We have been greatly privileged to have had the publication of a wonderful book, which the Minister has no doubt thumbed conscientiously, entitled "The Lost City of Stoke-on-Trent" by Matthew Rice, partner of the celebrated potter, Emma Bridgewater, and owner of the wonderful Meakin factory in Litchfield street, which, in case the Minister has forgotten, is in south Hanley. As my hon. Friend the Member for Walthamstow explored, it is a celebration of the sense of place—what Matthew Rice calls "cultural anchors"—to defend the urban environment and continue our connection with place and history. The work brings to mind the history

written in the 1960s and 1970s as the city of Bath was being destroyed. Even as the heritage of Bath was being knocked down, people were crying out that it was a destruction of our link to the past and to history. What has changed since then is the understanding of our industrial heritage. Cities such as Manchester, Liverpool and Birmingham have begun to lead the way.

Our hope in Stoke-on-Trent is that, having seen a swathe of devastation in the pottery industry—the loss of bottle kiln oven after bottle kiln oven—we are now beginning to think about the economic, social and cultural value of such heritage assets. If I may, I shall take a little bit of time to explore a few buildings—heritage assets—that illustrate the argument. The old Goss bottle ovens at the Falcon works are in Stoke town above the Portmeirion works, which now controls the Spode line of pottery. They are also known as the eagle works and have beautiful bottle oven brick kilns in front of a huge pot bank, which are falling into an advanced state of disrepair. They were sold by Portmeirion to a company called Connexa—no doubt, we shall not get to the bottom of how many companies are called Connex—in Crewe, which seems to have little connection with the commerce or history of Stoke-on-Trent or an understanding of the value of the asset to the area.

I have been in touch with Stoke-on-Trent city council to explore the possibility of an urgent repairs notice. As my hon. Friend suggested, such developments are expensive, but luckily we have a very good English Heritage team in the west midlands and there is some suggestion that the city council could apply for funding from English Heritage to support an application for a notice, but it is wary of going down that road, which is why my hon. Friend's explanation of the reticence with which the laws are used is important. We need the laws to be used more regularly and more effectively, to make people unafraid of using them and to make them cheaper and more accessible, so that they become part of the armoury of defence for our heritage assets. We have lost so many kilns in Stoke-on-Trent; it would be a great crime to lose more. I hope that there will be action on that front. There are now trees growing out of them.

The old Spode site, which the city council has bought, is also in Stoke town. You, Mr Hollobone, will know the history of the kingdom of Spode and the great competition that it had with the Wedgwood family. Its huge, wonderful site, which went out of business only a few years ago, is in the middle of Stoke town. In one sense, it is not an at-risk site, in that to make such heritage assets work we must have a successful commercial model. The challenge in Stoke-on-Trent now is not simply about enveloping the buildings for their protection, but about working out how to use them. We are hopeful that with innovative thinking we will develop an economic model for the site, which will involve artists' workshops, studios and second-hand shops. When the Minister comes to see the site, which I am convinced is only a matter of time, he will be excited by its new prospects.

What gives us hope is the recent success—we hope—of the Middleport pottery works, which are north of the city outside my constituency. If recent suggestions are to be believed, they may come within my constituency in future months, which would be a great boon, as we can imagine. The Middleport pottery works have received funding from the regional growth fund, the Prince's Trust and the Heritage Lottery Fund to revive the site and lease it back to a functioning ceramics company, Burleigh. That is a model of co-operation, local leadership and Government and quango action, all of which have come together to save an historic site. I am not enemy of quangos; indeed, I declare an interest as having served as a trustee of the Heritage Lottery Fund. The results are absolutely vital for the economic regeneration of Stoke-on-Trent. As we build an economy based on our engineering businesses and ceramics sector, but also on tourism and heritage assets, having such cultural anchors and significant sites is important.

It would be remiss of me to stand here as an MP for Stoke-on-Trent talking about heritage assets and not mention the threat posed to the extraordinary asset that is the Wedgwood museum. A couple of weeks ago, it was announced that the collection inside the building was now UNESCO designated and part of the Memory of World register. That shows an understanding that the extraordinary collection is of world-class significance. The Minister knows that the complicated issue of whether the collection is a permanent endowment held in trust comes to court on 13 September. There remains intense concern in north Staffordshire about its future. I hope that his Department is working night and day to have plans at the ready in case the judgment goes against us.

We need a sea change in thinking to begin to think about heritage assets not as obstacles to economic regeneration that need, in that great Glaswegian parlance, "to go on fire", but as cultural anchors, vehicles for meaning and identity and economic assets for the community, which is why Matthew Rice's book is so important. I agree 100% with my brilliant hon. Friend the Member for Walthamstow, who set out the policy options for the DCMS plan for the next four years on improvements to the at-risk register, the community right-to-challenge, local usage and restoration.

I shall end with the point that taking action on heritage assets should be more accessible and usable. We need to change the culture of use of heritage assets in the business world and in the community. We are enormously privileged to work in this environment. It is a make-believe environment, with which William Morris had certain problems because it was conjured up in the 1830s and 40s. Many of our constituents have had their connection to history, the past and their local communities taken away, sometimes for understandable reasons of economic growth, but we need to box slightly more clever when considering the value of heritage assets and what Government, business and communities can do collectively to preserve those things that matter to people.

11.49 am

Gloria De Piero (Ashfield) (Lab): It is a pleasure, Mr Hollobone, to respond for the Opposition under your chairmanship.

I congratulate my hon. Friend the Member for Walthamstow (Stella Creasy) on securing this important debate, and I commend the work that she is doing on both fronts for her constituents in relation to heritage. My hon. Friend spoke passionately, and it is clear how important the matter is for her constituents. It is obvious that I am not Brad Pitt, Winston Churchill or Norman Roach, but I once had an extremely good night at Walthamstow dog track, and I can see how important it is to the community that my hon. Friend represents.

[Gloria De Piero]

The Labour party has a proud tradition of standing up for heritage, a tradition that I am determined to continue in my role as shadow Culture Minister. Since the end of world war two, Labour has recognised not only the historical importance of heritage sites, but the economic benefits that such sites can yield. Heritage is central for so many reasons. It goes beyond class boundaries. From Giant's Causeway to Canterbury cathedral, it is central to our local and national identity. It is crucial in regeneration projects in towns and cities across the United Kingdom.

The Town and Country Planning Act 1947 was the first step on the road to establishing the system of listing buildings. Now, 64 years on, we are continuing the debate to reform and refine it, and my hon. Friends the Members for Walthamstow and for Stoke-on-Trent Central (Tristram Hunt) have important contributions to make to that debate. Labour then passed the National Parks and Access to the Countryside Act 1949, which helped to bring about the first 10 national parks. Our commitment to heritage continued in the late 1960s with the Civic Amenities Act 1967, which introduced conservation areas and allowed local authorities to administer loans and grants for the restoration of historic buildings and sites. Soon afterwards, Labour introduced legislation stipulating that anyone who is found to have destroyed a historic building can be imprisoned.

I am proud of Labour's history in standing up for heritage, and I want a new and reinvigorated debate on the subject. We have clearly made a good start today, and the contributions to this debate focused on the ability of heritage to galvanise and organise local communities. Its importance in defining our cultural, moral, political, theological and social values cannot be underestimated. It incorporates the most special and valued remains and structures. These landscapes physically mark moments in history. Most importantly, people can relive them on a day-to-day basis, and they help to shape our beliefs and our passions. They have lived through the ages, and all elected to this place have an obligation to ensure that they are preserved for the next generation to be enjoyed and to be used as a tool for learning.

For each of us, there are treasured personal objects—a pair of spectacles or a particular chair—that instantly bring back the memory of a loved one. The physical remains from generations past—homes, schools, factories, and churches—are the equivalent for society, for entire communities and for the nation. Historic places are the repositories of our communal memory and identity, and as a result they are deserving of special respect and care. A society that ignores its past cannot embrace the future. We owe it to the next generation to preserve the best achievements of past generations.

A poll conducted last year revealed that 70% of Britons attend one or more UK heritage sites every year, many more than those who visit football games or art galleries. The sector provides work for just less than 500,000 paid staff and 500,000 volunteers. That is as many staff as are employed in the NHS.

In a recent speech to English Heritage, the Minister highlighted the fact that the industry has captured the nation's imagination. Membership of the National Trust has risen by 33%, and membership of English Heritage has risen by a staggering 62%. The Minister has said in recent speeches that tourism is one of the nation's fastest growing industries. The sector is set to increase by 3.5% between 2009 and 2018.

A central reason for tourists being attracted to the British isles is our heritage sites. In Yorkshire, for example, local councils were told a few years ago that they were taking a massive risk in pumping money into the tourism industry. However, they believed in the power of their local history and their heritage sites—sites such as Ripley castle and Harewood house, Roche abbey and the York cold war bunker. The "Welcome to Yorkshire" television campaign has heritage at its very core, and the county attracts more than 200 million visitors a year. In fact, a large percentage of heritage tourism in the UK is domestic, especially in recent years given the rise of the staycation.

Heritage is an industry, and Brits spend money on it as much as people from overseas, especially outside London. That is an important and positive aspect, because Government investment in our heritage can support other key agendas, such as quality of life, healthy living, lifelong learning and families spending time together. I am minded to ask the Minister what impact the heritage industry had on the Prime Minister's inquiry into what makes the nation happy. I shall wait eagerly to see whether it features in his closing remarks. Of course, there are more advantages to the staycation. If Brits are spending their money on domestic tourism and in shops and restaurants near heritage sites, rather than abroad, that is of benefit to the Treasury.

[Mr Mike Hancock *in the Chair*]

We learned over the weekend that leading economists believe that we are on the road to ruin with the Government's programme of cuts. Surely the Minister realises that schemes such as "Welcome to Yorkshire" are vital for local economies across Britain. These initiatives are having a positive impact on the region, but they are at risk because of the 32% cut to English Heritage and the overall 25% cut to the Minister's Department. My hon. Friend the Member for Stoke-on-Trent Central explained the consequences of such cuts in his wonderfully entertaining speech. He pointed out that without professional staff to care for, to open and to interpret historic places, the huge rises in visitor numbers we have seen over recent years would fall.

I know all too well the dangers that these heritage sites face. Eastwood in my constituency is the birthplace of D.H. Lawrence, something of which we are very proud. However, the D.H. Lawrence heritage centre, which contains exhibits of the life and times of Lawrence and the original court copies of Lawrence's most controversial novel, "Lady Chatterley's Lover", was under threat of closure earlier in the year as the local council was seeking to make cuts. Looking through the visitor book, it is clear that the centre is a resource not only for the people of Eastwood but for people across the country and from all over the world—people who otherwise might never come to our area.

It was vital to save the centre so that we could preserve an essential source of tourist income for the area. The campaign to save Durban house was backed, at my suggestion, by a host of famous faces, including Salman Rushdie, Martin Amis, the Nottinghamshire writer Billy Ivory, Michael Parkinson, Lord Puttnam,

Glenda Jackson and Ken Russell, as well as countless ordinary people. I am sure that the Minister will agree that celebrating local culture and heritage is a vital part of the regeneration of the ex-coalfields of north Nottinghamshire. I was thrilled that the centre was saved thanks to an eleventh-hour agreement with Nottingham university. I suspect that that may be news to the Minister who, of course, rejected my invitation to visit it.

The cut to English Heritage funding equates to roughly £51 million over the next four years, but the true consequence of the loss is not yet calculable. Rolling the dice with the UK's most special treasures is not the action of a responsible Government. Thirteen years of Labour Governments saw an increase in the number of visitors to historic sites, a broadening of knowledge about our heritage culture and an increase in profits. The last Labour Government did some fantastic work, and although I accept that we may have done more, our heritage sites were safe in our hands.

The Minister has said that we tend to underestimate just how great the UK is. I disagree. Britons from across the country and around the world are rightly proud of our heritage sites, and they show their support with their feet and with their purses. It is the Government who have underestimated the true value of such sites, and it seems that they are content to put the future of such sites at risk.

What we know today is radically different from what we knew a century ago. Britain's fascination with what went before will long outlive this Government's reckless cuts. There is a real risk that our historic public buildings—built with taxpayer's money with the sort of craftsmanship and materials that we cannot afford today—will simply be sold to the highest bidder. That will have two results. In prosperous areas, public buildings such as Victorian schools will become unaffordable, exclusive private apartments, yet in less well-off places such buildings will sit derelict and empty, blighting the town centre or the high street.

Some aspects of the historic environment are already worse off. The extent of Labour's grant scheme to return to congregations the VAT paid on the repair of historic places of worship has been reduced under the coalition Government. What could be a better example of the big society than congregations coming together to raise funds to restore their buildings and open them to wider community use? Yet donations to these funds to pay for all church fittings and architects' fees will now go straight to the Treasury.

Does the Minister truly appreciate his responsibility to protect the heritage industry? Does he appreciate the strain that local authority cuts are putting on the authorities' ability to protect heritage sites, to offer grants to historic buildings at risk and to ensure that changes to listed buildings take place with the advice of expert conservation staff? Given his recognition of how far the tourism industry is set to go in the next few years, why was there no mention of the heritage industry in the tourism strategy?

Will the Government's emphasis on localism undermine our tried and tested ways of protecting our heritage at a national level through organisations such as English Heritage? As local authorities begin to sell off their historic buildings, libraries, schools, swimming baths and town halls to make ends meet, how will the Government support community groups that want to preserve their public services in the beautiful and historic buildings that have served them well for centuries?

12 noon

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): Thank you, Mr Hancock, for taking over the Chair from Mr Hollobone in mid-debate. I am looking forward to completing this debate under your chairmanship.

I congratulate the hon. Member for Walthamstow (Stella Creasy) on securing this vitally important debate. Although some hon. Members have been unable to resist making some party political points, there is, none the less, a great degree of cross-party agreement on the importance of heritage and on the generalised approach to it.

The hon. Member for Walthamstow is right to say that heritage amounts to a great deal more than just buildings. I can attest to that as I am the Minister who has just listed, among other things, a zebra crossing in Abbey road. As she said, heritage goes far wider than just structures. It encompasses all sorts of things from pre-historic archaeological sites right the way through to bang up-to-date modern pieces of architecture, which are tomorrow's heritage.

The hon. Lady is also right to say that heritage is important not just for the undoubted tourism benefits that it brings, but for its own sake. It is about not just place making for those of us who are the current occupants of each community and each built environment, but a local and a national story. One reason why we have a listing system is to ensure that the crucial marks, illustrations or buildings along that national story are preserved for current and future generations. That applies to not just the grand sweep of history—the national story of kings and queens and grand social movements—but local communities.

The hon. Lady was right to say that in any local community there are people who take huge pride in a local building that may be listed at grade II or only listed on a local scheme—if I can call a conservation area that—but which is, none the less, an important piece of that local community's past. Such a building can make a community feel special, and it explains to people who live there where they came from and why their surroundings are the way that they are. That is an essential part of our understanding of our roots. Britain is not a new country but an old one. We are a modern country, but we have a history and a heritage to be proud of and we lose that at our peril. Let me acknowledge in passing the point made by the hon. Member for Ashfield (Gloria De Piero) that pride in one's heritage is an essential component of happiness—a nebulous but very important concept that the Prime Minister is currently trying to grapple with.

Incidentally, for future speeches, I will plagiarise heavily without apology the comment of the hon. Member for Walthamstow about the Marks and Spencer approach to heritage. She is absolutely right to say that it is not enough to recognise as historically important a building, structure or an archaeological remain; we need to have an explanation and a narrative. We need to have an exposition of why something is important. It is not enough to say, "This is an important building." Explaining why it is important is an essential part of the heritage

[John Penrose]

story. She will see her words cropping up in various speeches, but I am sure that she will claim credit for them whenever they do.

The hon. Lady mentioned a couple of points in passing, which I shall try to deal with quickly before moving on to the main meat of her comments. She mentioned that there is a degree of concern in the heritage world about the successor to planning policy statement 5. I have already made some comments about that in public, but perhaps I can repeat them here just for the record.

A couple of amendments to the Localism Bill ensured that we kept the statutory protections for listing and heritage preservation. However, the hon. Lady is right to say that that is only part of the story and that heritage protection requires many of the other points, which were elaborated on in PPS5, to be included in the new revised planning guidelines. We are working closely with the Department for Communities and Local Government to ensure that that happens. In the same way that we have already come good on our promise to maintain the statutory protections, we aim to ensure that they are read across into the new forms of planning guidance, too. The draft has not yet been published, but no doubt there will be plenty of comment from the many experts in the heritage world when it is.

We are trying to ensure that the heritage voice is heard while the draft is being compiled, and there is a great deal more to do to ensure that the details are done properly. I want to reassure both the hon. Lady and those in the wider heritage world that that is an ongoing process and that we are taking it very seriously indeed. It is also true to say that there is a great deal of admiration and affection for PPS5. It sounds rather strange to say that people like planning guidelines, but those are probably the only ones that people like. The heritage world feels that PPS5 contains some important protections and wants them preserved for the future.

Stella Creasy: Does the Minister see any reason why the intentions behind PPS5 in their entirety might not continue? There is talk today that an application might come forward for the Walthamstow dog track. The local community would welcome confirmation that, as far as the Minister is concerned, regulations in PPS5 about taking into account any alternative viable option for a heritage site will be relevant to that decision.

John Penrose: I need to tread a careful line here to avoid prejudging the ongoing process to produce the new guidance. There are important things that the new guidance will do to make the whole panoply of different planning guidelines—not just the ones for heritage—become shorter, simpler and generally less burdensome. Within that context, we absolutely want to make sure that the principles behind PPS5 are maintained and truly and faithfully carried across. I do not want to comment on the detailed wording. As in all such things, the devil can be in the detail. I hope that I have given the hon. Lady a direction of travel and a statement of principle that will be helpful to her at this point.

The hon. Lady also mentioned some points about the Heritage Protection Bill, which, as I understand it, the previous Government spent a great deal of time working on. Certainly, officials in my Department spent a great deal of time working on it. None the less, the poor thing led a rather peripatetic existence, wandering around different parts of Whitehall desperately trying to find a slot in the legislative timetable. As it did not manage to find one before the end of the previous Government, it fell without ever being debated in the House. There were some rather useful technical points in it which we shall try to take through. We are currently discussing them with the Ministry of Justice to see whether they might fit into the Repeals Bill that is coming up. Many of them are entirely technical but worthy and sensible, too.

I am thinking of ideas such as trying to make sure that if we amended the Planning (Listed Buildings and Conservation Areas) Act 1990 to try to ensure that listings apply not just willy-nilly to the entire curtilage of a listed structure but to the bits that are genuinely important and listable. Such a proposal will provide greater clarity to the current owners and potential future developers about which parts of a site could be important. Another of my favourite Acts is the Public Statues (Metropolis) Act 1854, which apparently requires the Secretary of State to assent to the erection of statues in public places in London rather than that being done through the planning appeals system. I am not quite sure of the reason for that, but all such things are sensible and worthy.

However, nothing is certain yet because we cannot find a slot in the current legislative timetable. As we are focused on dealing with the Localism Bill and all the other factors related to the deficit, we will not be able to get a heritage protection Bill on to the statute book in the short term, but we may be able to do one or two of those things if we can find other slots. We are working on that, but I can make no promises at this stage.

I think that the meat of the hon. Lady's comments were about the heritage at-risk regulations and processes are whether or not they are currently up to the task that has been set for them. It is worth pointing out that the heritage at-risk register, which has now been in existence for more than a decade, has had quite a lot of success. Various speakers in the debate have quoted figures about the number of heritage assets that are on that register and about how many of them have gone through the register. I think that it is true to say that a very large number of the sites that are fairly difficult but not impossible to deal with have now been dealt with. A quite large proportion of sites have come on to the register and come off it again after three, four or five years; I think that the average length of time that such sites are on the register is about five years. They come off the register because they have been dealt with and a solution has been found for them.

The hon. Member for Stoke-on-Trent Central (Tristram Hunt) put it nicely when he said that we need a sensible commercial model for an at-risk heritage site for that site to work. There is no point in simply transferring ownership of the site or making a temporary fix. If we do not come up with a sustainable solution, within 18 months, two years or a similar period, the site will start to deteriorate again and pretty soon we will be back where we started. I think that it was the hon. Member for Walthamstow who quoted William Morris, who said that we need

"living art and living history".

It is vital that we all make that point as strongly as we possibly can.

What has happened is that a large number of sites have come on to the heritage at-risk register, sustainable solutions have been found for them and then they have come off the register after four or five years. However, we also have a hard core of sites that are much harder to deal with, which have been on the at-risk register pretty much since it was started. Many of them have been on the register for well over 10 years, and either they are very difficult to find an economically sustainable solution for or they will always be at risk for other reasons—for example, they are coastal sites suffering from erosion. Forces of nature, such as coastal erosion, may be harder to deal with than economic difficulties, which may be solved by changing a site's use. I think that the hon. Member for Walthamstow also talked about sites that have been on the at-risk register for a long time.

I completely agree with the hon. Lady that we have a series of powers that are being used spottily at the moment. She quoted some figures on how few times various powers have been used either by English Heritage or by my own Department, the Department for Culture, Media and Sport. As she rightly pointed out, that number is in the single figures. However, I should point out for the record that that is only part of the story; indeed, I think that she implicitly acknowledged that herself. There are many other occasions when such powers are used around the country, particularly by local authorities.

It is noticeable, however, that when we examine the figures for local authorities we find that some are much more comfortable with applying such powers—urgent works notices, compulsory purchase orders or whatever they may be—while others are much less comfortable and much less confident about using them and use them only rarely, if ever. As I say, there is a wide variety of practice by local authorities in the heritage sector. It is clear that some local authorities are comfortable about their ability to use such powers effectively to advance the cause of at-risk heritage assets and sites within their area, whereas other local authorities are a great deal more cautious or nervous about using them and are much more worried about the cost and other implications of doing so. Given that some local authorities are using such powers frequently while others are not, perhaps we can start to consider the reasons why the powers are not being used effectively in some cases and try to understand the issues involved.

I am happy to confirm to the hon. Lady that we are already addressing that issue and are trying to understand the reasons for that difference in the use of the powers by local authorities. Inevitably, given the huge variety of different heritage sites—all of which face an individual and entirely specific set of issues—and of political situations in local authorities, there is an extremely complicated patchwork. Therefore, finding answers that will raise the worst-performing authorities even to the standard of the average-performing authorities is not a trivial exercise. It is not easy to find answers that will work across that very complicated patchwork, but we are already looking at that issue.

I think that the hon. Lady and I have already made the important point to each other—in earlier private conversations about the local heritage sites in her constituency that she has mentioned today—that it is important to start looking at having a rather more nuanced and finer gradation of stepping stones or escalation of powers. At the moment, particularly in those local authorities where the use of a compulsory purchase order or an urgent works notice is viewed as a bit of a nuclear button—that is, as a last resort—there is nothing in between using those powers and having a nice chat over a cup of coffee with the owner of a site who is not necessarily doing what needs to be done with the site. Perhaps we need to consider whether there should be a collection of both carrots and sticks that can be used between those two extremes. At the moment, such powers do not exist. We do not have them at present, but we are considering whether it is possible to develop them.

Even if we can develop such powers, however, we would need to use them extremely carefully. If we just go for carrots—that is, incentives—for owners to plough more money into a heritage at-risk asset and that asset gets to a certain state of disrepair, we run the very real risk of creating a very sizeable moral hazard. We do not want to create a situation whereby the entire system is set up to encourage people to allow the assets that they own to fall into disrepair, until they reach a certain stage of advanced disrepair whereupon the state will come galloping to the rescue with a large wodge of public cash. Clearly, that would be an extremely perverse incentive, and it is not one that we want. However, we may want to have some incentives that are matched up with additional powers to push or prod owners who are not doing the right thing. At the same time, we must be very careful to ensure that we match those powers to avoid creating the type of perverse incentive that I have just described.

I must add a note of caution to my responses to the hon. Member for Walthamstow. When an owner of a heritage site wants to do something with it—say, x—and there is a community that wants to do something else with it—say, y—and those two things do not match and there is no overlap between them, it is very easy to end up with a degree of deadlock through the planning system. From what the hon. Lady has said this morning, it sounds as though that has happened in at least one if not both of the two heritage cases in her constituency that she referred to. However tempting it may appear, it would be a mistake to try to cast the heritage industry and the heritage world as some kind of deus ex machina that will turn up and solve such problems for the good of all concerned, by coming down either on the side of the owner or that of the community. It is not possible—indeed, it is not even desirable—for the heritage world to try to act as the court of appeal between those two parties, because coming to a conclusion that both the owner and the community can live with must be achieved by dialogue through the normal democratic process. That is what the planning system is set up to do.

The hon. Lady rightly said at the start of her remarks that this debate today is not about planning policy. The heritage world must ensure that planning policy is applied where necessary in a heritage-sensitive and heritage-sympathetic way. However, the heritage world cannot fix a fundamental democratic disagreement; such a disagreement must be dealt with through the mechanisms of the planning system. Even if we can come up with new and better powers and incentives, we would breach that principle at our peril.

A conclusion may be reached about the best use for a heritage asset, and that use might be the same type of use that the asset was originally designed for. The hon.

[John Penrose]

Lady gave the example of a cinema, and a cinema might be brought back into use as a cinema. However, the heritage world is not too precious about whether or not a cinema has to be brought back into use as a cinema, for the very reason that the hon. Member for Stoke-on-Trent Central gave earlier: it is more important to have a viable, sustainable and ongoing commercial use for a building than that it should go back to its previous use. It is far better for that heritage asset to have a future that is workable, even if it is being used for another purpose than the one that it was originally designed for, than that it should have no commercial future at all.

Let me give an example. The hon. Member for Walthamstow referred to some of the excellent work that is happening in the area around King's Cross. If one walks north of King's Cross, it is possible to see a building that I believe is called the university of the creative arts in London. It is a wonderful combination of modern architecture and a couple of old train sheds that are being turned into a wonderful university campus. That building is an outstanding example of blending the old and the new—it is an absolutely gorgeous combination of the two—and it is something that I think the country will be hugely proud of. If I can venture an opinion, it will definitely be a piece of heritage of the future as well as a piece of heritage of the past, and it is being created right now. That, however, would be completely impossible if we were too precious and insisted that a railway shed had to be used as a railway shed. I do not think that anyone here would argue that re-purposing the sheds and giving them a new use is a bad thing. I accept that it is entirely reasonable and sensible for there to be a local democratic debate between residents and the owner of a site about whether it carries on as a cinema, for example, or is used for something else, but from a heritage point of view that is not part of the solution. The heritage solution is to achieve a sustainable answer that ensures that the fabric of the building and, if necessary, its cultural resonance—let us not forget that its use will have created cultural ripples in the local area—is preserved.

I am afraid, therefore, that I am going to slightly disappoint the hon. Lady by saying that it would be a mistake for heritage to intervene and say, "This is an unacceptable use"—within very wide boundaries. Heritage needs to say, "This is a sustainable use, which will preserve the heritage character and fabric of the building, and any further conversation about the suitability of the use has to be expressed through the local planning mechanism rather than through the heritage world."

Stella Creasy: In the Walthamstow examples, there is a viable, commercially backed and community backed alternative for both buildings. The current planning process allows that to be taken into consideration, and the Minister has just very kindly confirmed that such an alternative should be taken into account if a plan comes forward for the dog track. What we do not see in heritage is a parallel ability to say that, if there is a viable alternative that is in keeping with the heritage listed status, we can make progress, and I want to press the Minister a little more on that. I understand his concern not to see a deus ex machina approach to heritage policy, but what confidence can communities such as mine have that he will not stand by and say that the heritage and sustainability aspects cannot be taken in account and that when owners sit on assets and do nothing, as they have in Walthamstow, we will not be left waiting, hoping that a planning application—as the only mechanism for expressing our heritage concerns—will come forward?

John Penrose: I understand the hon. Lady's concerns, and I refer her to my earlier comments about the need for some interim and escalation powers. From the list of cases that have gone through and have come off the heritage at risk register, we know that we have conversations, discussions and expert advice at one end of the spectrum of existing powers and the nuclear button—as we discussed earlier—at the other. We need some interim steps, which we just do not have at the moment. The letter that I wrote to the hon. Lady a couple of weeks ago, which I think arrived just in time for her planning meeting, made the point that there is no opportunity to use or impose the current legal powers from the centre here in Whitehall, but if we came up with some interim steps—stepping stones—we could use some of them for an equivalent future case. A far better solution to the kind of problem that the hon. Lady is laying out would be to create those kinds of powers, with the right mix of carrots and sticks to ensure that we did not create perverse incentives.

The hon. Lady mentioned that there is a solution on the table that has the approval of many local people and an alternative investor waiting in the wings, but the missing third party is the existing owners, who either need to be convinced that the solution is in their interests or, with some interim or other stepping-stone powers, be given some opportunities and incentives. As I think the hon. Lady mentioned in her initial remarks, that is an aspect in which such policy crucially needs to develop, and I hope that we can do so on a cross-party basis. Putting aside some of the comments about whether individual quangos have done well, I hope that the broader collection of approaches that we will be able to take on heritage will have cross-party approval. Incidentally, and for the record, the overall funding for heritage as a whole is going down by only 2%, even though funding for individual heritage quangos is decreasing by a substantially larger amount. If we can get to that position, perhaps Mr Norman Roach will be able to stop being the only repository of knowledge, understanding and memory in Walthamstow about one or two of the local heritage assets and instead be part of a much wider and better elucidated and enunciated set of heritage assets and experience there.

Stella Creasy: I just hope that I can encourage the Minister to commit to coming to Walthamstow, to see the two sites and talk both to members of the local community and to the investors that we have for both sites, so that he can understand some of the challenges that we need to embrace in heritage policy. I would be very happy to show him the range of heritage that we have in Walthamstow. Perhaps he could even meet Norman, to understand how the examples in Walthamstow reflect the wider problems with heritage policy. I hope that the Minister will make at least that commitment, so that we can show him the work that we are doing in Walthamstow to try to make heritage not just preservation but experience and enjoyment.

Mr Mike Hancock (in the Chair): I am sure that you will find that invitation hard to resist, Minister.

John Penrose: I have had an invitation to Stoke and now to Walthamstow. I think that I did go to Walthamstow dogs before it closed. I am afraid that I will, as the saying goes, have to look at my diary, but I appreciate both invitations and hope that we can advance this policy.

There should be agreement on both sides of the House on this, but we have to tread very carefully because the devil will be in the detail and we must make certain that, while enhancing opportunity for communities to ensure that their heritage is looked after, we do not traduce or ignore the very real and legitimate rights of owners.

Mr Mike Hancock (in the Chair): It would be inappropriate for me to suggest that, while the Minister is in travelling mood, he select Portsmouth as a possible location, but we would welcome the opportunity to meet him there.

City Status (Reading)

12.27 pm

Alok Sharma (Reading West) (Con): It is a pleasure to serve under your chairmanship, Mr Hancock. I am delighted that we are able to have this debate in the week after Reading's formal application for city status was submitted.

I am sure that the Minister has seen the excellent bid document, which was put together jointly by the local council, representatives of business, our local papers—the *Reading Post* and the *Reading Chronicle*—Reading's voluntary groups and other excellent local organisations. The document encompasses the very heart and soul of Reading: an economic powerhouse with a distinguished past, a vibrant present and a bright future.

My hon. Friend the Member for Forest of Dean (Mr Harper)is not only a very able Minister but an extremely fair individual. I do not expect that in his response today he will suddenly announce that on the strength of this debate Reading has been awarded city status. That would be nice, but I will not hold my breath. We all understand that Reading's bid, along with all the others, will need to be properly evaluated. Nevertheless, I think that at the end of the evaluation process the Minister will find that if he takes the best bits from each bid—a long and varied history, deep links to royalty, excellent sporting, cultural and retail facilities, outstanding educational establishments, an active civic society and voluntary sector, economic leadership on an international scale and a self-confident people reflecting the cosmopolitan nature of 21st-century Britain—he will have Reading down to a tee. Reading represents not just cool Britannia but rule Britannia, when it comes to leading on international jobs, growth and economic activity. My home town of Reading, where I grew up and went to school, is a microcosm of all that is best, bold and bright about Britain today.

I will take the rest of my time to spell out the detail of Reading's pre-eminent bid, and our powerful and persuasive case for city status. Reading began life as a Saxon settlement in the early seventh century and was first mentioned in written history in the "Anglo-Saxon Chronicle". In 1121, Henry I, the youngest son of William the Conqueror, laid the foundation stone for Reading abbey. Over time, Reading became one of the most important religious and political centres in Europe. Henry was buried at the abbey, making Reading one of only a handful of towns where British monarchs are buried.

Reading's association with royalty has continued through the ages. Reading abbey was consecrated in the presence of Henry II. Admittedly, Henry VIII put a damper on things by dissolving the abbey, and the last abbot, Hugh Cook Faringdon, suffered the occupational hazard of not recognising Henry as head of the Church and was duly executed outside the abbey gates. However, the outlook for Reading improved with Queen Elizabeth I's ascent to the throne. She visited Reading on several occasions and granted the town borough status.

Fast-forwarding to today, Reading is the county town of the royal county of Berkshire and is the birthplace of our future Queen, the Duchess of Cambridge. Interestingly, there are no cities in the royal county. It would therefore be fitting, in the year after a magnificent royal wedding—the year of Her Majesty the Queen's diamond jubilee—for Reading to be granted city status.

[Alok Sharma]

When it comes to sporting, cultural and retail facilities, Reading leads the way. We have a premiership football club in Reading FC, which temporarily finds itself in the championship. The club's home, Madejski stadium, is a modern facility of which any city would be proud. Reading football club is a beacon, a community-based club that was named family club of the year in 2010. The stadium is also home to London Irish rugby club and was voted the best place to watch rugby in a 2010 survey.

The local council operates seven leisure centres. Rivermead centre is home to the nationally successful Reading Rockets basketball team. The River Thames is the base for many rowing and canoeing clubs, and the Redgrave Pinsent rowing lake, a purpose-built marina at Caversham, will be the training base for Team GB rowing before the 2012 Olympics. In addition, Reading has flourishing clubs and facilities for cricket, hockey, athletics, swimming, golf and gymnastics. I am sure that the Minister will agree that that represents a wide range of facilities to satisfy the most demanding of sportsmen and women.

To soothe the senses, Reading offers many parks and playgrounds spread across the borough, as well as riverside walks and beautiful vistas across the Thames. Reading is also a shoppers' paradise. The town is one of the top retail destinations in the UK, and the Oracle shopping centre on the banks of the River Kennet, with more than 120 retail units, is the region's premier retail and leisure destination, offering restaurants and cinemas as well as shopping. Reading attracts shoppers from as far afield as Bracknell, Newbury, Royal Windsor and Henley. In addition to the Oracle shopping complex, we have the popular Broad street mall and a large range of major national and international brand stores, with Apple recently announced. Of course, in keeping with tradition, Reading also operates a farmers' market and a street market.

For the outside visitor, Reading offers a wide range of accommodation, ranging from chic boutique hotels such as the Forbury and Malmaison and luxury chains such as Hilton and Crown Plaza to high-standard independent guest houses. If the Minister has not yet made plans for his summer holidays, may I recommend a few days in Reading? As well as enjoying our sporting, retail and leisure facilities, he and his family will be able to check out our various museums and enjoy a play or concert at the famous Hexagon theatre. If he comes during the August bank holiday weekend, he will be able to visit the internationally renowned Reading festival, set on the banks of the Thames. I suspect that he is tempted by Reading's offer. Perhaps he will tell me in his response whether he would like me to reserve some accommodation for him during August.

Mr John Redwood (Wokingham) (Con): I wish my hon. Friend every success. He is making an elegant case for city status for Reading, but will he reassure Wokingham that no extraterritorial demands will be made if Reading gains the honour of being a city?

Alok Sharma: I thank my right hon. Friend for raising that point. Our bid is clear. It is based on the document. Reading is a friendly town—its Members of Parliament are extremely friendly—and we will certainly ensure that whatever Reading does in future is on a co-operative and friendly basis.

Educationally, Reading offers a centre of excellence in many areas. We have a top-rated university that carries out internationally recognised work across various departments including cybernetics, meteorology, engineering and agriculture. The university's Henley business school is an international leader. Some of our state schools, such as Kendrick school for girls and Reading school for boys, consistently top the national league tables for exam results, as do a number of our independent schools. There is also the excellent Avenue school in the heart of my constituency, a special school for boys and girls between the ages of two and 19 who have complex special educational needs. I have seen at first hand the work that Avenue staff do with pupils, and it is truly outstanding. The school is a benchmark of excellence for special schools throughout the country.

I am also pleased that some schools in Reading have already embraced the freedom that academy status offers. Several have converted to academies, and others are considering conversion. One of the first free schools in the country, All Saints junior school, backed by local parents and the community, will open its door to pupils in my constituency in September. The setting up of the school is a textbook case of go-getting, entrepreneurial Reading parents who want the best for all children in the town. It reflects Reading's positive, can-do attitude.

The people of Reading are undoubtedly go-getting—I will talk shortly about the economic leadership that we provide—but ours is also a caring and compassionate town. We have one of the most active voluntary and community sectors in the south-east. Reading has more than 400 organisations that contribute to the town's well-being, and many volunteers who put something back into the local community. Our Churches, in particular, are the backbone of many community organisations and provide support to all those in need of help and advice.

Some months ago, I was asked to address a conference organised by Reading Voluntary Action. The event was billed as a cross-sector conference involving all agencies interested in growing a genuine big society in Reading. The event was extremely well attended by voluntary groups from across Reading. The big society is flourishing in my home town. I hope that when all the bids for city status are evaluated, Ministers will reflect not just on the tangibles but on the intangibles, such as the generosity of spirit of a town and its people. I am confident that on that measure alone, Reading will be seen to lead the way.

On Reading's economic prowess, thanks to the dire financial legacy that the coalition Government inherited from Labour, we must take action to eliminate Labour's structural deficit. I do not want to turn this debate into an exposé of the previous Government's mishandling of the economy, but the context is important. Last year's emergency Budget was about rescuing the nation's finances; this year's Budget was about doing what was possible to help families with the cost of living and, importantly, reforming the economy to create jobs and growth for the future. The jobs and growth that will make our economy power ahead in the coming years will come from the private sector, and will be created in places such as Reading.

Reading is the commercial centre of the Thames valley and has 1,000 years of trading history. Historically known as a traditional manufacturing centre, it became famous internationally for its three Bs: biscuits, bulbs and beer. Huntley and Palmers biscuits, Suttons Seeds and, in its most recent guise, the Courage brewery all operated in the town until fairly recently. Indeed, the brewery survived until last year. For some towns, the demise of major traditional businesses can, sadly, spell economic decline, but Reading has had a continued, uninterrupted economic renaissance. Biscuits, bulbs and beer have given way to IT, industry and innovation. We are an undoubted economic powerhouse.

If we as a country are to compete successfully in the coming years against the likes of China and India, our knowledge-based companies and the value-added jobs that they create will be key. Reading is undoubtedly a leader in both home-grown and international knowledge-based companies. Yell, Premier Foods, National Grid, Prudential, BG Group, Logica, Procter and Gamble, Wipro, Cisco, Microsoft, Oracle, Verizon, Symantec, Rockwell Collins and Thales are just some of the companies that consider Reading home. Leading-edge innovation and research and development are now part of the DNA of Reading's business sector, and the university of Reading works in close partnership with the business community. Reading is also a centre for finance, insurance and banking and provides many jobs in the town. Our work force is one of the most highly skilled in the country.

Earlier this year, the Centre for Cities, an independent, non-partisan research and policy institute, named Reading as one of the five "cities to watch" in its annual index, "Cities Outlook 2011". The report noted that Reading has high potential to create private sector jobs and one of the highest employment rates in the country. There was clear recognition of Reading's economic strength and, interestingly, it referenced Reading as a city.

Reading clearly punches above its weight on the international stage and, for many, is already regarded as a city. The greater Reading economic area is home to about 2,000 foreign-owned businesses, employing about 100,000 people, which reinforces our international position. Last year, Reading was named Europe's top micro city for infrastructure, thanks to its strong road and rail network and unrivalled access to markets. Moreover, the foreign direct investment report ranked Reading eighth in the overall list of Europe's top micro cities, based on economic potential and quality of life.

Certainly, Reading's connectivity and closeness to London are key success factors in our economic dominance, and continued investment in infrastructure has played an important role. Recently, we have seen the remodelling and improvement of junction 11 on the M4, and we are in the middle of an £860 million upgrade to Reading railway station, managed by Network Rail. Already the second biggest interchange outside London, Reading station's redevelopment assumes a doubling of passengers by 2035, from 14 million to 28 million. Reading is truly a gateway to the rest of the country and we are open for business.

Reading has also produced its fair share of authors, actors, musicians, entrepreneurs and scientists who have helped to put the town on the map. To name but a few: Jane Austen, Mary Mitford, Sam Mendes, Kate Winslet, Ricky Gervais, Jacqueline Bisset, Marianne Faithfull, Kenneth Branagh, Mike Oldfield, David Lean, Ross Brawn, John Kendrick, Alfred Waterhouse, Henry Addington, who was a former Prime Minister, and, most recently, Sir John Madejski, who has given so much to the town.

Reading is well represented in the current Parliament. At least eight Members were educated or grew up in Reading. It is said that Charles Dickens was asked to stand as MP for Reading, but turned down the request. Frankly, it was Dickens's loss. We now have our own literary giant of an MP, my hon. Friend the Member for Reading East (Mr Wilson), who will speak in this debate.

In conclusion, Reading already has many of the attributes of a city. We are the largest town that is not a city in the country. Indeed, Reading is larger than more than 40 cities in the UK, including your great city of Portsmouth, Mr. Hancock. Reading is today a cosmopolitan place and our diversity is our strength. We are a town at ease with ourselves, a town that knows its time has arrived. We are the bookies' favourite for city status and I hope that, after this debate, although he will not be able to say it, we will be the Minister's favourite as well. I thank him for listening so patiently, and I look forward to his response.

Mr Mike Hancock (in the Chair): Thank you. I call Mr Rob Wilson.

John Howell (Henley) (Con) *rose—*

Mr Mike Hancock (in the Chair): Order. I shall try to get you both in. Bear in mind that the Minister has to respond to the hon. Member for Reading West, so could you both take a maximum of four or five minutes?

12.43 pm

Mr Rob Wilson (Reading East) (Con): It is a pleasure to serve under your chairmanship, Mr Hancock. I will do my best to fit my remarks into the five-minute limit that you have suddenly imposed.

I congratulate my hon. Friend the Member for Reading West (Alok Sharma) on securing this debate. He has set out, with great passion and in a compelling way, why Reading should become a city. He has covered an enormous amount of ground and has done a thorough job in doing so, so I will limit my remarks. To both viewers who are watching the Parliament channel at the moment, I say that my views on city status are set out elsewhere and have been aired in great detail.

As has been mentioned, this is Reading's third attempt at becoming a city. I know a bit about the previous attempts, because I was around at the time and served on the local borough council on one of those occasions. What is noticeable to me is that this attempt feels different. I do not say that because we are the bookies' favourite this time, as my hon. Friend has mentioned. In fact, I would rather that we were not the bookies' favourite, because in politics the favourite has a knack of losing. The first two attempts to obtain city status involved top-down decisions to mount bids, which, if I am honest, were not supported beyond the local ruling elite. Indeed, I found them slightly embarrassing in some ways, as the local Reading public largely ridiculed them. The Reading public did not believe in the previous

[Mr Rob Wilson]

bids, because they were not in any way part of them. What they actually saw, for example, was the local council putting up signs directing people to the city centre when they knew it was a town centre. The public thought that slightly crackers, and so did I.

This time the bid feels very different. It has much more of a grass roots and groundswell feel to it. My constituents feel involved in what is going on, believe that the time is right and are behind the bid. They understand that Reading has changed and developed radically over the years and is now ready for the next step and for a new era. People who come to Reading tend to stay for a long time, because of the quality of life and the good jobs on offer. My constituents have, therefore, seen Reading change from a rather sleepy Berkshire market town to the capital city of the region.

My hon. Friend has already spoken about the strength and vibrancy of Reading's economy. As he has mentioned, numerous research organisations around the country accept that Reading has huge economic significance. The influential Centre for Cities regards Reading as a "city to watch", even though we are not yet a city, and one of six cities

"best placed to lead the UK's recovery"

from the economic crisis and recession. People in Reading know and understand the economic contribution that they are making to the region and the national economy. They take pride in it and know that the town is ready to become a city. They are as confident and forward-looking as the Centre for Cities study says.

It is interesting to note what underpins Reading's economic success. There are many factors, but I want to pick out two in particular. The first is transport. Reading has a railway station that acts as a national hub with connections that run the length and breadth of the UK. During the previous Parliament, I campaigned for and was pleased to secure, working with others, the £500 million investment that the station required. That investment recognised Reading's strategic importance as a transport hub and reflects why it is a city in all but name. Reading is close to Heathrow; the M4 runs past its front door; and it has fast train services to Paddington. Whether travelling by road, rail or air, Reading has the connections required.

The second factor is education, which creates the highly skilled work force. Education is a passion for me, so I want to say a few things before I finish, although I know that the Chair would like me to speed up. According to Department for Education figures, Reading is the highest ranking authority for A-level and AS-level results. Of course, that has nothing to do with the local education authority, which has continually been hopeless on educational matters. It has much to do with Reading's two state grammar schools—Kendrick school for girls and Reading school for boys. Both consistently lead the country in exam results. Reading school has been named the best state school in the country by *The Times*. I also have a fine crop of independent schools in my constituency in the Abbey school, Queen Anne's and Leighton Park.

Reading is also taking advantage of Government policy on education, with Highdown school in my constituency becoming an academy and showing huge improvements. I am also hopeful that a bid in east Reading for a first-class university school, backed by world-class companies such as Microsoft, Cisco, BT and Blackberry, will be successful and lead to further improvement in the quality of education in Reading.

I also want to say a few words about Reading university.

Mr Mike Hancock (in the Chair): Order. I urge the hon. Gentleman to be fair to his colleague, otherwise he will not be called to speak.

Mr Wilson: I will sum up by saying that I am proud of the fact that Reading university, which plays such an important role in Reading, is mainly in my constituency. As my hon. Friend the Member for Reading West has said, it has an international reputation. I have no time to talk about the thriving social, cultural, artistic and creative communities in Reading, which I would have loved to have addressed, although my hon. Friend has given a flavour of them.

Our university, schools, transport and economy give Reading enormous strength, but it is the people of Reading who make the place what it is. It is they who have prepared Reading for city status and it is they who now ask the Queen and Ministers to give them the recognition that they deserve.

Mr Mike Hancock (in the Chair): I am afraid that you have very little time, Mr Howell, and you have your colleague to thank for that.

12.49 pm

John Howell (Henley) (Con): It is a great pleasure to participate in this discussion under your chairmanship, Mr Hancock. I congratulate my hon. Friend the Member for Reading West (Alok Sharma) on securing the debate. Reading is a neighbour to my constituency, but it is more than that. I do not wish to take issue with my hon. Friend's geography, but the Olympic rowing lake—the Redgrave Pinsent rowing lake—is in my constituency, even though its waters practically lap over the rails as the train comes into Reading. The town provides all of the facilities that my hon. Friends have mentioned—both for their constituents and mine—so it would be churlish not to support this bid. However, my constituents and I need reassurance on some issues, to which my right hon. Friend the Member for Wokingham (Mr Redwood) has already alluded.

How different would a city be from the current Reading town in its territorial ambitions and in terms of building into my constituency, because the town has always seemed to have a very aggressive approach? How different would a city be from the town in tackling major emotive issues such as transport, including the long-running possibility of a new bridge across the Thames, which would throw lots of traffic into south Oxfordshire? Furthermore, how different would a city be from the current town in engaging sensitively with constituents on my side of the constituency border?

I appreciate that, for much of my time in politics, Reading has not been under a Conservative Administration, but I hope that that will change, because I am sure it will be to its advantage. I understand that the answers to the questions that I have posed are not necessarily in the gift of my hon. Friends the Members for Reading West and for Reading East (Mr Wilson) to answer, but answered

they must be if they wish to have the unequivocal support of surrounding MPs and their constituents for a city bid. As has already been said, Reading has already exhibited many of the characteristics of a city and is an important hub for the wider area.

12.51 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): It is a great pleasure to serve under your chairmanship, Mr Hancock.

I congratulate my hon. Friend the Member for Reading West (Alok Sharma) on securing the debate and on setting out Reading's case clearly. During the course of the debates on city status, I have had some interesting offers. My hon. Friend the Member for Southend West (Mr Amess) urged me to be Southend's valentine, because we had the debate on Valentine's day, and my hon. Friend the Member for Reading West has urged me to holiday in Reading during the summer. I fear that I may have to disappoint him in the same way I had to disappoint my hon. Friend the Member for Southend West. I have to remain impartial, and holidaying in Reading may demonstrate a lack of impartiality. Therefore, I fear that I must decline his very kind offer.

My hon. Friend the Member for Reading West joins another of our colleagues, my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti), who also secured a debate to set out the case for his area to become a city. As part of the bid, I have learned a large number of things of both of those areas and about the constituency of my hon. Friend the Member for Reading West and the town that he represents. Indeed, I suspect that other hon. Members whose areas are bidding for city status will have detected a pattern and that you and I, Mr Hancock—as well as your colleagues on the Panel of Chairs—will be treated to a continuing tour of our United Kingdom. I very much look forward to that.

My hon. Friend set out Reading's case very well and was joined by my hon. Friend the Member for Reading East (Mr Wilson). I confirm that Reading's entry for the diamond jubilee competition for city status has been safely received. It is one of 26 entries seeking city status, and 12 entries have also sought lord mayoralty status for existing cities. The level of interest and enthusiasm that clearly came across from the speech of my hon. Friend the Member for Reading West shows how much the country is looking forward to celebrating Her Majesty's diamond jubilee next year and how attractive such a civic honour is to local communities.

My hon. Friend spotted that I will not be able to agree or disagree with him in my response and that I must remain neutral and fair. At this stage, I can no more endorse Reading's aspirations than I can any other competition entrant. Ministers must remain impartial to ensure that city status continues to be a real honour that is fairly bestowed and that the competition remains fair. My hon. Friend recognised that fairness is important, because there are no hard and fast criteria on becoming a city. City status continues to be an honour granted by the sovereign. Nowadays, it follows a competition and is a rare mark of distinction bestowed on a town. Reasons for success or failure are not given in these competitions and city status is not something that towns can gain by ticking off a list of pre-set criteria.

The reasons for that are obvious. Existing cities vary tremendously. As my hon. Friend has mentioned, some are large and some are small; some have wonderful cathedrals, universities, airports, underground systems or trams; and some do not have those physical features, but boast a vibrant cultural life. We have set out some of the qualities that we expect a city to have—a vibrant, welcoming community with an interesting history and a distinct identity. My hon. Friends the Members for Reading West and for Reading East have eloquently set out Reading's claim in those and other respects. I assure them and their constituents—the people of their town—that Reading's entry will receive a thorough and impartial appraisal, together with the many other entries in the competition. The process is just getting under way. My hon. Friend the Member for Reading West has waved his bid at me to secure my interest, and the plan is that we will announce the result early in 2012.

On the point about territorial ambitions made by my right hon. Friend the Member for Wokingham (Mr Redwood) and reinforced by my hon. Friend the Member for Henley (John Howell), let me reassure them and make the matter clear. The local authority is bidding for city status based on existing local authority boundaries. Nothing in what the Government will recommend to Her Majesty about city status will affect the powers that that town has. On that specific point, I hope that I have reassured by my hon. Friend the Member for Henley and my right hon. Friend the Member for Wokingham. I detected their qualified support for the bid, which has clearly stirred up interest not only in the town of Reading, but among its neighbours.

My hon. Friends the Members for Reading West and for Reading East have set out their case well. Ministers will assess that case along with the others in the process. As I have said, we look forward to announcing the results in early 2012 as we go into Her Majesty's diamond jubilee year.

Mr Mike Hancock (in the Chair): As a Member who has the privilege to represent one of our cities, I know what it means to people, so I wish Reading all the very best. The Minister and Member are present for the next debate, so we can move straight on. Will those Members who are leaving do so quietly and quickly?

Emergency Life Skills

12.57 pm

Julie Hilling (Bolton West) (Lab): It is not often that the Government get the chance to make a decision that could simply, easily, cheaply and immediately save lives, but this Government have the opportunity to do so right now. They have a chance to do something positive and tangible for very little cost.

Hon. Members know how it is. Someone collapses or has a road traffic accident and we all stand around in a circle waiting for somebody else to act, because we are too frightened to intervene. Let us imagine what would happen if every school leaver could save a life. Every year, 150,000 people die in situations in which first aid could have made a difference, and 30,000 people have a cardiac arrest outside the hospital environment of whom less than 10% survive to be discharged from hospital.

Emergency life support is a set of actions needed to keep someone alive until professional help arrives. It includes performing cardiopulmonary resuscitation, putting an unconscious person into the recovery position, dealing with choking and serious bleeding, and helping someone who may be having a heart attack. Those skills are particularly crucial at the time of cardiac arrest where every second counts. Children are often present at accidents and emergencies, and if they are properly trained, they can be as effective as any adult in administering emergency first aid.

Our curriculum states that children should be taught many things but, frankly, learning the names of the six wives of Henry VIII is unlikely to save a person's life, whereas emergency life support can. We know that the Government want to slim down the national curriculum, but surely learning emergency life support skills should be as important as learning the times table. The Government have stated that they want the national curriculum to reflect,

> "the essential knowledge and understanding that pupils should be expected to have to enable them to take their place as educated members of society."

Surely knowing how to save the life of a family member or a member of the public would enable children to have an impact on the health of society. Ensuring that life-saving skills are taught in schools provides the chance to instil in children how valuable life is and how important it is to be a good citizen. The Government, by putting emergency life skills into the curriculum, have an opportunity to leave a real, lasting cultural heritage.

Since 1996, the British Heart Foundation has operated the Heartstart programme, which helps to train children in emergency life skills. To date, it has successfully trained more than 2.6 million people in ELS, of which more than 760,000 were children. The British Heart Foundation has found that a significant number of children who have been taught life-saving skills have had to use them in practice. Approximately one in five schools registered with Heartstart reported, in 2008, that students have used ELS in real life situations, with an average of three students in each of those schools having done so. One of my local schools, Smithills, runs the British Heart Foundation Heartstart UK scheme with the full support of the head teacher, Chris Roberts. At Smithills, ELS are taught in a variety of ways—for example, as part of physical education.

Justin Tomlinson (North Swindon) (Con): I commend this fantastic speech. I raised the same subject in a Backbench Business debate recently, and I know at first hand what a difference it can make. On the specific point about PE, the actual training required is the equivalent of just one PE lesson. Therefore, while we acknowledge that the Government are trying to streamline the national curriculum, we are not asking for very much, but it can make a real difference.

Julie Hilling: I absolutely agree with the hon. Gentleman. He has had personal experience of the need for emergency life skills, and I am very pleased that we can work together to try to get this issue higher up the agenda.

Smithills school aims to widen the scheme so that, during the school holidays, parents and siblings are able to learn these vital skills, too. The teacher responsible, Adrian Hamilton, told me that learning how to save a life in an emergency really engages the kids. He believes that ELS go a long way towards helping them become better citizens, and that learning ELS should be an expected part of what happens in schools.

The Government talk about wanting to compare themselves internationally, but ELS are already a compulsory part of the curriculum in France, Denmark and Norway. They are included in a number of states in Australia, and in the US they are part of the curriculum in 36 of the 50 states. Seattle is supposed to be the best place in the world to have a heart attack. It is impossible to get a driving licence or graduate from school in Seattle without being able to do CPR. Imagine a situation where one is rarely more than 12 feet away from somebody who can save a life. I hear, though, that there is a down side, because it is a very bad place in which to just faint.

Schools deliver ELS in a variety of ways and settings. Commonly, pupils enjoy the lessons, which increase confidence and self-esteem, and which are particularly important for children who have special educational needs. Sheringham Woodfields, a school for children with complex needs, told the Education Public Bill Committee about the enormous sense of achievement its pupils feel when they realise that they can save a life. One of its pupils received a bravery award when he saved somebody in the Norfolk broads. One of the most telling submissions to the Public Bill Committee was from Archbishop Ilsley Catholic technology college in Birmingham, which told us that it decided to teach ELS after a parent died from a heart attack in front of his family. The school felt that something positive should come from that tragedy. St Aidan's primary school in St Helens told us about a year 6 child who was in a restaurant with her parents and 15 other adults when her eight-year-old brother started to choke on his food. He went blue and virtually collapsed at the table. All the adults stood around not knowing what to do, but the year 6 child jumped into action, put her training into use and saved her brother's life. If she had not been there, 15 adults might have stood by and watched a little boy die in front of them.

I do not have time to list all the things that people have told me, but a common theme is that children who were taught ELS went on to practise them and either saved the lives of family members or helped in serious situations. A couple of weeks ago, I was in a meeting with Tabitha. When Tabitha was 17, a week before the summer holidays, she ran to join her friends and teachers during a fire drill. She does not remember anything else

that happened, but apparently she collapsed with heart failure. She had been born with a congenital heart condition, but no one knew about it. Fortunately, her school secretary had been taught CPR, which they administered until an emergency responder and then paramedics arrived. Tabitha made it to hospital with all of her facilities still intact. She had emergency surgery and made a full recovery. Tabitha is now a voluntary emergency responder and is working hard to get ELS taught in schools.

I also met Beth at the same meeting. Beth is the mother of Guy Evans, who sadly died at the age of 17 in 2008. Guy was riding his motorcycle when he had a sudden cardiac arrhythmia. He fell off his motorbike and laid there while his friends stood around not knowing what to do. They were told by the 999 operator not to touch him—people thought that he had had a motorbike accident. If only they had been taught emergency life skills, they would not have faced the trauma of watching their friend die and experienced the trauma of living their lives with the thought that maybe, if they had known what to do, Guy would still be alive. Beth has been campaigning ever since to get ELS into the school curriculum and into driving tests.

Cardiac arrest does not discriminate between young and old, or between gender and race—it can happen to the very fittest of us. On average, heart attacks are suffered by men in their 50s, and so should be of keen interest to many MPs in this House. On average, it takes approximately five to 10 minutes for an emergency ambulance to arrive. For every minute that passes in cardiac arrest, the chance of survival falls by 10%. CPR increases survival and prolongs the time a person remains shockable. If a defibrillator is used to administer a shock, the survival rate increases to 50%. When we watch "Casualty", it looks as though CPR is actually the thing that makes people suddenly wake up—it is not. CPR keeps blood and oxygen pumping around the body, which means that the heart can still be shocked back into a rhythm. All the time that people are not breathing and their hearts are not pumping, parts of their body and brain are dying. CPR keeps people alive and keeps them going until they can be shocked, and until they can get to hospital.

I have been told about a mother who collapsed at the school gates. Instead of everyone standing around not knowing what to do and watching her die, children sprang into action and administered CPR. The school brought out their defibrillator, which they had purchased for £1,000, and saved the mother's life. Just last week, 15-year-old Patrick Horrock had a heart attack in Hindley leisure centre, which is just next door to my constituency. A member of staff performed CPR and another used a defibrillator to restart his heart. Patrick is alive and well because people knew what to do and had the tools available to do it.

I had a meeting with some local firemen last week. They are Heartstart tutors and deliver classes to adults and young people in the fire station. They told me that approximately 7% of people know any first aid. Together, we are going to take ELS into local schools. They told me that two young people had been involved in saving a dog. As their reward, they were invited to the fire station for the day. The thing that those kids enjoyed most during that day was learning how to do ELS. It is something that children enjoy doing—it enhances them and gives them the confidence to save a life.

The firemen told me something that really made me think. One reason why we do not act when someone collapses is because we are scared of making things worse. Has their heart really stopped? Am I going to do them damage? The firemen told me that if a casualty stops breathing, "They are dead, and you can't make them any deader." That phrase resonated with me. If we do something, we may be able to save that life; if we do nothing, they are dead.

As the hon. Member for North Swindon (Justin Tomlinson) has said, CPR can be taught in two hours. That is the equivalent of one PE lesson—one cross-country run, or two hours a year. That is something like 0.2% of national curriculum time. Surely we can afford that amount of time to save lives.

I will end with a statement from Abbey Hill primary and nursery school:

"A lot of our children are brought up in an extremely deprived area and are not always adequately supervised. ELS gives them the confidence to deal with an emergency, should one arise, and no adult was around...The silence in the room when the children are watching the DVD from the resource pack is remarkable! They watch it avidly and are always keen to take part in the sessions. They are also very impressed when we get the dolls out to practise resuscitation and can't believe they get to have a go on a 'real live' doll!"

I could say a great deal more, but I will finish. I ask the Minister to put emergency life skills in the national curriculum. If he will not, what will he do to promote the teaching of emergency life skills in schools and throughout the whole of education, in youth centres, colleges and community colleges? Will he also encourage the Government to think of other ways of embedding such skills in society, perhaps as a compulsory part of the driving test?

It is frightening to think that something like 7% of the population believe they could save a life. Many of us have done life-saving—I did it many years ago—but do not feel confident about using those skills. However, having now had less than half an hour with a dummy and looking at what to do, I now feel that I could do something—I could get that defibrillator off the wall, because instructions on exactly how to use it are written on the packet.

We need people in this country to feel confident about being able to save a life. I ask the Minister to consider that we could save 150,000 lives a year—just think how many lives that would add up to over anyone's political career. I hope that the Government will do something—they could go down in history as a Government for saving people's lives—and I urge them to do so.

1.11 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I congratulate the hon. Member for Bolton West (Julie Hilling) on securing the debate. She alluded to the recent Committee stage of the Education Bill, and I have read her comments in Committee, as well as in the early-day motion and at Education Question Time. In today's debate, she has again emphasised the importance of teaching emergency life support skills to children. She has form, for which she is to be praised. Likewise, the interventions in debate by my hon. Friend the Member for North Swindon (Justin Tomlinson) have shown his great interest. I praise them both; the subject is important.

[Tim Loughton]

Last night, at the end of the annual general meeting of my local hospital league of friends, we had a presentation by one of the hospital heart specialists. He talked about what a difference the hospital equipment financed by the friends would make, and about the huge improvement in the survival rates of people who suffer a heart attack, because of being to deal with them at the scene of their heart attack and getting them to heart specialist hospitals much more quickly, with the availability of stents, clot-busting drugs and everything else. He recounted an emergency case he had had just yesterday: the time between someone coming through the hospital door and being given a stent was 14 minutes, fantastically within the golden hour that is so important.

Survival rates have improved enormously, but the more we can do at every stage of the process—recognising the problem, getting someone to hospital and making sure they get treatment straight away—is important in achieving further improvements in the survival rates of the many people who still have heart attacks. The subject is important.

In the hon. Lady's work with the Select Committee on Education, she has drawn attention to some of the excellent work done by schools, such as Smithills in her constituency, which she mentioned, and by programmes such as Heartstart, run by the British Heart Foundation, and others run by organisations including the St John Ambulance. I pay tribute to both those organisations. I did an infant first aid course with St John Ambulance in my constituency some time ago, and it was an eye-opener, showing me how little I knew until I did it. The more such courses are made available, and the more people take them, the better for everyone. The hon. Lady and others are raising their profile, which is important.

I was vice-chairman of the all-party parliamentary group for cardiac risk in the young, which is another important subject that people know little about. Every week, several young, fit, healthy teenagers were dropping down dead for seemingly inexplicable reasons linked to a genetic heart condition about which they had no knowledge. The charity CRY successfully raised the profile of the problem, urging testing if relationship links increase the potential, and spreading the availability of testing. That is another important way of preventing such avoidable deaths, which cause great distress and, out of the blue, completely disrupt families.

Such initiatives not only enrich education but, as the hon. Lady said, help to engage pupils and equip them with the basic first aid skills of which all citizens should have knowledge. Regardless of whether someone is in school, there should be greater awareness and confidence, such as she gained herself, in how to administer first aid at all sorts of levels, most importantly because it can help to save lives. Things can happen anywhere, to anyone, however fit they might appear.

The hon. Lady mentioned "Casualty"; no debate on health seems to be complete without such a reference, and people can actually learn quite a bit from it, as long as they learn the right stuff. The hon. Lady is absolutely right to raise the profile of the issue, although I am not sure whether the Seattle tourist board will compliment her on marketing that fine American city as the best place to have a heart attack—but she did her bit. I applaud all those involved in this area, as well as the campaigning of the hon. Lady and others.

Whether we think about swimming and physical education, or more broadly about the curriculum, it is important that we do everything we can to ensure that life-saving and first aid skills are part of what is taught in our schools. But, I fear, I must once more disappoint the hon. Lady and her supporters. I read about her proposed amendment to the Education Bill, in which she raised the issue; she alluded to the wives of Henry VIII then, too, and the Minister of State, my hon. Friend the Member for Bognor Regis and Littlehampton, said in response that had Anne Boleyn known a little more about her husband, she might not have lost her own life—an interesting response. I will not go over that debate again.

We do not believe, however, that learning emergency life skills has to be a statutory part of the national curriculum. We do not take issue with the principle or with raising the profile, and we agree that awareness for more people, in particular children, is a good thing; our problem is making it a statutory part of the national curriculum. In recent years, the national curriculum has been bent out of shape, as it has been overloaded with too many subjects and too much content, often with the best of intentions but with damaging results. At the same time, there has been too much prescription, not only about what should be taught but how it should be taught.

The Government want to restore the national curriculum to its original purpose: a core base of essential knowledge that pupils need to succeed, and which stands comparison with what pupils in various age groups learn in the nations with the best-performing education systems in the world. We want to ensure that schools have greater freedom and flexibility to teach so as to encourage more innovation and inspire pupils. Those were the express aims of the national curriculum review, which we launched in January. The review team received almost 6,000 responses to the call for evidence—the most for any education consultation—including a number of representations about the teaching of emergency life skills. I received a number of letters from my constituents on the subject, as I am sure the hon. Lady did.

I cannot pre-empt the review itself, but one of the most important objectives set by Professor Tim Oates, who is leading the review team, is to ensure that the right balance can be struck between the core national curriculum and the wider school curriculum. In all likelihood, the smaller statutory content will take up less teaching time, leaving more time for the activities, topics and subjects, including emergency life skills, that we know are also important in preparing a student for the wider world. As the hon. Lady mentioned, many schools already manage to deliver such things imaginatively and effectively, in a way that best engages their pupils.

Recent findings from the British Heart Foundation demonstrate that many parents, children and teachers want young people to learn life-saving skills at school. The non-statutory programmes of study for personal, social and health education already include teaching young people how to recognise and follow health and safety procedures, ways of reducing risk and minimising harm in risky situations, and how to use emergency and basic first aid. The internal review of PSHE that we will undertake alongside the national curriculum review will look carefully at how we can improve the quality of teaching and at how external organisations such as the

British Heart Foundation can support schools to do so. That and other healthy-living issues may be delivered by outside specialist bodies in a more imaginative way that will engage kids in school so that they do not feel that it is just another lesson. I am a big fan of bringing in outside bodies to teach in a different way—outside the box and often outside the classroom.

Equally, we know that it takes only a few hours every year for pupils to learn basic resuscitation skills. I do not know whether that is 0.2% of the national curriculum time, as the hon. Member for Bolton West said, but I acknowledge that it is a small part. There would thus be plenty of room in the school day for other important subjects and activities, such as learning about healthy eating, taking part in competitive team sport, and working on projects with local businesses. Such things are important and enjoyable for pupils but, most importantly, it is for schools and teachers to decide what to teach and when to teach it. The Government believe in the professional judgment of head teachers and teachers, and we are giving them the space to exercise that judgment, and to provide a broad and enriched curriculum for their pupils.

Julie Hilling: I am not clear how much steer the Government are likely to give to head teachers and schools about the importance of emergency life skills. As the Minister says, under PSHE, or whatever we want to call it, an enormous range of subjects may be taught—drugs, alcohol, sex and so on. Emergency life skills are a fundamental issue of citizenship, and involve not just individuals, but society. Are the Government prepared to give head teachers a steer and to say that they should consider teaching such skills?

Tim Loughton: I take the hon. Lady's point, and I think she is hearing me loud and clear. My view, which is shared by my right hon. Friend the Secretary of State, is that it is good if more people and pupils learn about health and life-saving skills. There are good examples of that happening in schools already, regardless of what is in the curriculum, and of schools engaging and training their pupils. When that is done, pupils enjoy it, and it is a good way of engaging them in something that is useful beyond the confines of the school. I praise all schools that are doing that, and encourage them to do more, but I also encourage more schools to take it up. We are trying to free up time in the curriculum to enable them to do what they think will most benefit their pupils. Clearly, life-saving skills are way up at the top of the priorities.

The hon. Lady knows from our previous conversations that the Government's approach is to be less prescriptive, but to encourage schools to do such things because they are right and will benefit their pupils, the community and society at large. The problem is that in opposition and now in government e-mails, letters or comments are sent to me every day saying that X, Y or Z should be a statutory part of the national curriculum. If we took just a fraction of those suggestions on board, something would have to give. The national curriculum is already completely overloaded, and my response to all those suggestions, however worthwhile, as life-saving skills clearly are, is to ask what should be taken out of the national curriculum or diluted to make space. That is the problem.

Justin Tomlinson: I thank my hon. Friend for his positive comments. I have often been guilty of sending in requests, and I understand what he said about being inundated, but surely there is no greater or more important skill to equip a young person with than the ability to save someone's life. I am sure that replacing one cross-country run a year would be welcomed across the board.

Tim Loughton: I sympathise with my hon. Friend's suggestion, and I want schools to implement it, but not because an edict from Ministers says that it should be part of the national curriculum so that they think, "Where can we fit that in?" I want them to do so because it is a good thing to do, and a good way of engaging young people who might be more difficult to engage. The subject might be a good way of enticing their interest in the classroom.

During the consultation, we received proposals that the compulsory part of the national curriculum should include chess, knitting and pet care, which I am sure are all worth while. I am sure that my hon. Friend and the hon. Lady would argue that they should not have the same priority as life-saving skills, but people argue that a whole load of things should be a priority. I want schools, and heads and teachers who know their children, to have the freedom to deliver the subjects that they believe are most important and that children will most relate to and benefit from. That is what the Government are trying to do.

Julie Hilling: I thank the Minister for giving way yet again. He is being very generous. The Government will prescribe some parts of the national curriculum. They will prescribe the core. The hon. Member for North Swindon and I are saying that emergency life-support skills should be part of that very small core, because they are about the future, saving lives, and being a good citizen, which are all crucial. Chess, knitting and so on may be good subjects to teach, but life-saving skills are vital and could transform the United Kingdom. I do not understand why that cannot be one of the subjects in the small prescribed core.

Tim Loughton: The hon. Lady has answered her own question. I entirely agree about the importance of the subject, but we are trying to make the national curriculum tighter and more concise with a smaller range of subjects, giving more freedom to teachers to take on that subject, which I agree is a priority. We want a slimmer curriculum, and we do not want to add more subjects to it. However important the subject, it would add to the national curriculum.

There can be no more important training than that which allows someone to save the life of another who is injured, ill or otherwise in danger, and we must do all we can to ensure that children learn the basic skills that they might need in case of emergency. We all agree on that, but the best way is not through the academic base of knowledge that the national curriculum contains, but through the broader curriculum. Just because the skills are not specified in the national curriculum does not mean they will not and should not be taught, or that the Government are downplaying or undervaluing them. The reverse is true. I implore all schools to ensure that their pupils develop the personal and social skills

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they need to become responsible citizens, and to lead healthy and safe lives, and that includes being able to encourage and enable others to lead healthy and safe lives.

Justin Tomlinson: On the specific point about outside organisations, such as the British Heart Foundation, surely the Government could play a role in providing information so that schools can access it. When I visit my schools, they agree that it is a good scheme to take up, but do not necessarily know how to do so. Perhaps the Government could be proactive in encouraging that.

Tim Loughton: That is the point that I intended to end on. It is a fair and practical solution. We are not proposing to make the subject, along with pet care, knitting, chess and thousands of other helpful suggestions, part of the core national curriculum, but there are other things we can do. The hon. Member for Bolton West asked me to look at other ways of promoting the subject, and we will do so, for example, by asking individual MPs and Ministers to go into schools and ask what they are doing to teach first aid, and whether they are part of a local appeal to install a defibrillator in the town centre, and are ensuring that their children know how to use it. We can also send strong messages in our work on the PSHE review.

I think the hon. Lady suspected that we would not be able to deliver her request today, but that in no way downplays the importance of the issue that she has rightly and usefully raised. There are many other ways of promoting the subject to ensure that we have a far better educated and engaged population in our schools who will take on those skills because they want to, because it is the right thing to do, and because they will all benefit.

Stonnall Road, Aldridge

1.30 pm

Mr Richard Shepherd (Aldridge-Brownhills) (Con): First, I want to thank the Minister for meeting me yesterday, together with Mike Flower who is a local councillor from Aldridge and represents the views of councillors in that area. This debate is on a subject that is uncomfortable for most elected Members of Parliament, and for the public at large, who are the one ingredient that always seem to be overlooked in such discussions.

On Monday 4 March, a resident of what is still referred to as the bail hostel in Stonnall road came to my surgery. Although I had never met him, he was known to me. A couple of years previously, his partner had sought to have this individual moved from a distant prison well outside the west midlands. He is a convicted paedophile, and as the single mother of a small child, she found it difficult to make arrangements for child care to enable her to exercise her visiting rights. I wrote to the prison authorities, and the individual in question was moved.

A while later in June 2009, his partner approached me again. It transpired that the prison authorities had withdrawn visiting rights for his very young daughter, and subsequently stopped telephone calls. I had not understood that the partner wished to enable her daughter to have continuing visiting rights, and I was concerned. My office spoke to the prison, which explained that it had withdrawn visits and telephone calls as they thought that the man might possibly be grooming his child. The purpose of his visit to my surgery in March was to see whether I could help him re-establish contact with his daughter. I said that I could not, and the visit greatly disturbed me.

The probation service placed this man in a hostel less than two miles from the child whom the prison authorities suspected him of grooming—I have said, Mr Hancock, that this would be an uncomfortable debate. My anxieties about the case led me into correspondence with the Staffordshire and west midlands probation authorities. I also notified those councillors who were actively involved in managing the concerns of local people and trying to establish the closure, or removal, of the hostel.

The site was originally a Barnardo's children's home that offered secure premises for children with difficulties. Councillors Anthony Harris, Keith Sears and Mike Flower have written a letter to the Minister, and I shall read a couple of passages:

"The journey for the site currently designated as an Approved Premise on Stonnall Road has been a troubled one. The site has changed from being a Barnado's Children's Home caring for children to being an Approved Premise housing sex offenders. It is a journey of secrecy, deceit, judicial defeat and change of use by stealth. It stands as the polar opposite of the localism and transparency agenda being championed by the coalition Government. Now is the time for the new Government to re-evaluate the status of Stonnall Road Approved Premises and correct a long-standing historical wrong.

The Approved Premise has never been through the democratic processes of planning consent and therefore does not have a democratic mandate. Originally, to change from being a Children's Home to use as a Bail Hostel, it was deemed not to require change of use in planning terms as there was no material change in its use—"

that dogs the history of those premises across the past 20 years—

"yet since that decision the building has moved from housing children in need to sexual offenders released on licence. This is unacceptable in a democracy and is a change of material use by stealth, contradicting the very spirit of planning laws and local engagement."

In January 1995, the extension application to add yet more places to what was still a bail hostel was refused by Walsall council on the grounds that

"The residents of the area and adjoining properties now experience severe problems and material problems and incidents arising from the existing use of the premises, which are incompatible with the surrounding residential area. The further expansion of a use which, in the considered view of the local planning authority, is unsuitable for that area has the potential to further exacerbate these problems, to the detriment of the amenities which local residents could reasonably be expected to enjoy."

The letter from the councillors continues:

"At no point has the community ever had a say on what this building should be used for and people have watched powerlessly as the use of the building has materially changed. This venture into the planning process proved on three levels—"

that refers to the High Court judgment and the defeat of the probation service's appeal against the planning application—

"that the Bail Hostel was having a detrimental impact on the local community—the case paperwork proves this locality is inappropriate despite denial from the Probation Service. Why have the Ministry of Justice and West Midlands Probation Trust dismissed the view that the facility has a detrimental impact on the local community?

If this wasn't evidence enough, the sad cases of criminal behaviour caused on occasion by residents of the Approved Premises has further proven that it is a very real risk to the public it is meant to protect, and a problem for our community. Local head teachers, who have experienced some residents engaging in illegal activity around their primary schools (later convicted in court), agree with us that this is inappropriately located and that the type of offender placed in this location is unacceptable."

They wrote to the Minister:

"You will be aware that the Bail Hostel was turned into an Approved Premises by decree of the Secretary of State under the last Labour Government. The Ministry of Justice has confirmed in writing, in an email from Sean Langley to Councillor Mike Flower, that no process was undertaken and that no process is outlined by law. We believe that this is therefore a breach of natural justice on the following grounds."

They gave three grounds. First:

"A person must be allowed an adequate opportunity to present their case where certain interests and rights may be adversely affected by a decision-maker."

Secondly:

"No one ought to be judge in his or her case. This is the requirement that the deciding authority must be unbiased when according the hearing or making the decision.

As the Ministry of Justice contracts the Probation Service to allow Approved Premises to house offenders released from prison, is it not a conflict of interests if the same body decides where and who these places are?"

Thirdly:

"Administrative decision making must be based upon logical proof or evidence material. Evidence presented by one party must be disclosed to the other party, who may then subject it to scrutiny."

That question of scrutiny will return again and again.

"The Ministry of Justice does not have a process for approving Approved Premises and therefore no proof or evidence has been considered. No evidence has ever been presented or disclosed to the community or their representatives for scrutiny."

They asked the Minister—as do I—to explain

"how the decision to designate Stonnall Road as an Approved Premises met the principles of natural justice and the Wednesbury principles? We would be grateful to see a copy of the paperwork that officially designated Stonnall Road as an Approved Premise. We'd also like to know what weight was given by Ministers to the past planning and Court judgements as referred to above."

The councillors expressed their immediate concerns:

"Whilst elected councillors remain resolved in our aim to close Stonnall Road Approved Premises there are a number of practical issues we also wish to raise on restricting the admissions policy and in building trust and scrutiny with the community and their democratically elected representatives."

They then go into the case of the individual under discussion, and want to know how many sexual offenders are currently resident in the hostel. They asked:

"How many have been recalled to prison since the Hostel/Approved Premise were opened? How many offenders have been convicted of crimes committed during their stay at Stonnall Road and what crimes were they convicted of?

Regarding MAPPA"—

the multi-agency public protection arrangements—

"Who audits MAPPA to ensure the risks they are calculating and managing are reasonable?"

Very importantly, the councillors ask:

"Who are the lay assessors on MAPPA charged with representing the views of the local community, how were they chosen and why are elected representatives not informed?"

The councillors also want to know about the admissions policy:

"We request a copy of the admissions policy for Stonnall Road Approved Premises and ask that it be made public.

There is a Ministerially imposed restriction on admission policy at Bunbury House in Ellesmere port, Cheshire that excludes the residence of offenders who have committed any sexual offence against a child under 16. We request that Ministers consider and impose the same restriction on Stonnall Road".

They also request other things in their submission to the Minister.

I verify almost everything that the councillors say in that letter. It has been a frustrating and long journey to try to wake up the probation service to a judgment that it took by deceit—that is what the councillors call it. The reason why I say "by deceit" in the end is the frustration of this. I raised a previous debate in the House of Commons on the nature of this hostel. I said that Miss Macdonald, who was the assistant chief probation officer for properties—buildings—had made a statement to the planning committees. I am not going to find the quote immediately, but the substance of what she said was that the magistrates had supported the bail hostel being placed in the former Dr Barnardo's property.

This is what the then Home Secretary said:

"My officials are unable to find any papers to support your comment that the West Midlands Probation Service 'misinformed local Councillors and residents as to the specific support of the Aldridge Magistrates for the location of the hostel in Stonnall Road'".

It was not the Aldridge magistrates; it was the Walsall magistrates, and I had an exchange of correspondence on that very subject.

The Stonnall Road bail hostel came into being because the then acting head of residential services in west midlands probation service assured elected members of Walsall metropolitan borough council at a planning meeting in September 1989 that

[Mr Richard Shepherd]

"Walsall and Aldridge Magistrates were in favour of the proposed bail hostel in Stonnall Road".

It subsequently transpired from my inquiries with the clerk to the magistrates, Edward Jones, barrister, in the course of an application to increase the size of the hostel in 1995, that the chairman of the magistrates had written that

"it has never been the policy of the Bench to comment upon the location of the facilities required by the Walsall district Probation Service."

Mr Jones in his reply said:

"Once you have studied this correspondence you may be of the same opinion as I am that Mr. Baker's response was misquoted by Miss Macdonald in the meeting before the Planning Committee."

That application was refused by the planning inspectorate, as I have said, and that decision was upheld by the judgment of the High Court.

In the years since, the hostel has caused, as the councillors say, much concern to local residents, the head teachers of two primary schools and their elected representatives. We have come to believe that the bail hostel houses convicted offenders released on licence—a fact that was finally confirmed by the probation service in a letter to me dated April 1999. It stated:

"The Stonnall Road Hostel was opened and run as a provision for bail residents only. Since 1995 however, it has been the policy of the West Midlands Probation Committee that the hostel could also be used for men subject to Probation Orders, or on Licence after a prison sentence. I apologise if that change was never communicated directly to you."

Despite my recent correspondence with the probation service, this latest case seems to me to fly in the face of its assurances that the Stonnall Road approved premise was the most suitable location for the sort of man whom I have brought to the attention both of the director of social services in Walsall and, with much difficulty, of the principal officers of the probation service in the west midlands and Staffordshire. They have assured me that this man offends only against children he has groomed and within the family. It was on that point that the director of social services, whose operation is of course part of MAPPA, wrote to the west midlands probation service. MAPPA had conducted two reviews, both confirming the original decision, in the knowledge that I was concerned and that the director of social services was also concerned. At the moment, the man has been moved from the Stonnall Road bail hostel, but there is no agreement that he could not be returned to those premises.

The probation service wrote back to the director of social services. I understand from councillors that that was not a very happy letter, and I understand that the Minister would use the phrase "outside the envelope", yet these very probation officers have referred to councillors as part of the process—they are involved in it. Now, there is rage. I would not want anything to happen to the director of our social services, who was also concerned as to why the case of a child who was possibly being groomed by an inmate of Stonnall Road should not be examined with the closest possible attention to the implications for that child. How is it that this organisation does not have to come back and justify why it is convinced that the most secure arrangements are within 1.8 miles of the child?

The fear of the probation service is that the name of the man will leak. I have here letters that ask that the name not be leaked. The first is from Dr Gerard Bates, director of operations. He says:

"If his surname enters the public domain, then the most likely consequence would be the identification of previous victims and other relatives including a young child and his very elderly and vulnerable mother. This would cause severe distress and could compromise safeguarding arrangements."

I have no doubt that that is absolutely true, and no one has put into the public domain this person's name, but the very fact that people have to write that indicates to me the possible insecurity of the location in respect of this individual. Mr Maiden wrote to me on 3 June in anticipation of this debate. He says:

"A primary concern of all involved is that the families"—

notice that it is families, plural—

"connected with the offender are not identified and, given his…name, this is likely to occur should the information enter the public domain."

Those people know that this name is such that that child was at risk, either through the man's activities or proclivities or through the name leaking into the public domain.

We can go round this again, as I have so many times with the probation service, but at the heart of it is the continual denial in respect of a small unit that accommodates 12 people, for which the probation service sought an extension far beyond anything that people were told by Miss Macdonald. The planning authorities are alarmed and concerned that this could happen. However, we are also mindful of the fact that there are 2,100 such people in this country and that there are inadequate places for them. That is why, having seized on an opportunity 20 years ago, those involved have now moved to create this nightmare in a local community of small houses—that is described by the inspectorate and understood by the community at large. We are talking about open, vulnerable, small spaces, local schools with small children and a major secondary school. All those children are under the age of 18, and if this man's proclivities and interests extend beyond just members of his family—who is god enough to say that that is his only interest?—every one of those children will be at risk.

1.50 pm

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I thank my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) for raising this important subject. The security of our citizens is the first priority of any Government, and public protection is a central responsibility of the Ministry of Justice.

I hope that I can demonstrate to my hon. Friend and the House that we take our obligations in this respect extremely seriously and that our arrangements for managing dangerous offenders in the community are robust and effective. Approved premises, including Stonnall Road, raise challenging questions about how the criminal justice system deals with its most serious offenders, but the view of successive Governments has been that such premises are an important part of those arrangements and ultimately perform a critical role in keeping communities safe.

As my hon. Friend said, it was my pleasure to meet him and Councillor Mike Flower yesterday. If my remarks do not answer in full the letter that my hon. Friend drew on in his speech, he will, of course, receive a full reply later.

I share my hon. Friend's revulsion at the offences committed by the offender, whose case led my hon. Friend to secure the debate. However, the offender has now served the custodial part of his sentence, and our priority, as with all offenders, must be appropriately to protect the public from future offences. That can mean difficult decisions being taken by the agencies involved and overriding the wishes of those who have committed no offence, and my hon. Friend alluded to that. Tragically, it is not possible to eliminate entirely the possibility that a known offender will go on to commit further crimes—in some cases, serious ones—but the Government are committed to doing all that we can to ensure that the risk of an offender causing harm is managed effectively and robustly in the wider interests of us all.

The main topics that my hon. Friend raised were the multi-agency public protection arrangements and the approved premises in Stonnall road. MAPPA and approved premises are two of the key measures that the statutory agencies use effectively to manage offenders who are known on account of their previous offending to present an ongoing risk of harm. I was going to speak in some detail about MAPPA, but I suspect that my hon. Friend would prefer me to address more directly the issues raised by Stonnall Road in the time available. All that I would say about MAPPA is that the arrangements are being validated by studies and are at the leading edge of international practice in managing serious offenders. We will continue to make sure that we improve and develop our practices, but the United Kingdom is well served by the arrangements that we have.

I turn now to the approved premises in Stonnall road, in my hon. Friend's constituency. I am aware, not least as a result of yesterday's meeting, that there has been some local opposition to the approved premises over the years, and my hon. Friend laid out how long the issue has been around. However, those premises, along with others in England and Wales, must be understood in the context of a system-wide approach to the effective management of risk, so it might help if I explain briefly what approved premises do.

There are 100 approved premises in England and Wales, with a total of about 2,200 beds. They are the places that our most serious offenders go to when they are released on licence from prison, having served the custodial part of their sentences. Approved premises have 24-hour staffing and a structured regime, including overnight curfew. The principal aim of approved premises is to ensure that offenders are effectively supervised and monitored during the critical period immediately after release. During that period, the supervising agencies can best gauge how successful work in prison has been in addressing the underlying causes of an offender's behaviour.

For certain offenders, such as child sex offenders, compliance with the restrictions in their licences, such as daytime reporting and exclusion from places such as schools or parks, can be more closely monitored in approved premises than if they are dispersed into alternative accommodation in the community. Residents in approved premises must take part in purposeful activity and in programmes designed to address their offending behaviour and to reduce reoffending. In addition, they are subject to drug and alcohol testing and are monitored on the premises by CCTV. Where the risk assessment deems it necessary, offenders can be escorted by a member of staff when they leave the approved premises.

The system is all about managing the risk posed by people who, having served their time in prison, are being returned to the community. If they remain a threat, approved premises are the best chance the system has to pick up their offending behaviour and to subject them, if necessary, to recall to prison. Staff working in approved premises are trained in risk assessment and to look for the telltale signs of risky behaviour. They work closely with offender managers and local police through MAPPA. They have daily contact with residents, so they are often the eyes and ears through which vital intelligence can be passed to other agencies. The whole idea is to monitor certain high-risk offenders much more closely than would otherwise be possible precisely, so that action can be taken promptly without the need to wait for a fresh offence to be committed.

Broadly speaking, the system is effective. Clearly, there will always be cases that slip through the net—risk can never be eliminated entirely—and each such case is one too many, but the available data show that offending rates for those held in approved premises are much better than for those who are not. In the last full year for which data are available, about 0.3% of residents were charged with a serious further offence. In addition, in many cases, prompt action is taken to recall offenders to custody before they can commit further offences.

The challenge is that communities where approved premises are situated understandably have concerns about being near offenders, especially those who have previously committed serious crimes and sexual offences. I hear and entirely understand my hon. Friend's concerns that people are unhappy when they find they are living near somewhere where those who have done dreadful things are temporarily housed.

However, the alternative to offenders living in approved premises is not that they stay in prison. These people have been released from prison because they have served their custodial terms and they must be accommodated somewhere in the community. If they were not in approved premises, they would be somewhere else—somewhere less controlled and less suitable. The result would not be that there were no sex offenders in the community. Rather, there would still be sex offenders in the community, but not so obviously, so it would be much more difficult to provide effective supervision for them.

In the past, when we did not use approved premises as we do now, serious offenders leaving jail were much less effectively supervised. Too often, that included them being put in temporary accommodation, such as bed and breakfasts, alongside some of our most vulnerable families. Tackling that situation was the right thing to do.

My hon. Friend raised concerns about whether these approved premises are in the right place and about its history, so let me say clearly that the safety of the public is our first concern. Clearly, offenders returning to the community must go somewhere, but every offender is placed in every approved premises with a proper individual risk assessment.

[Mr Crispin Blunt]

Where any offender under statutory probation supervision, including one residing in an approved premises, is charged with a serious further offence, the supervising probation trust is required to undertake a rigorous review of the management of the case, but that was not the case in the circumstances that my hon. Friend raised. He told us that Walsall children's services, no doubt prompted by his inquiry, became concerned that an individual was at risk. The director of children's services wrote to the agencies involved and copied that letter to my hon. Friend and local councillors before there was a chance to review the case formally through MAPPA. She was clearly concerned that prompt action needed to be taken, and I am happy to look at the circumstances of the case to understand what happened. However, it is obviously of some satisfaction that necessary action was taken. The substantive result was that the offender was moved to another approved premises in the west midlands probation trust area, and no offence has been committed.

My hon. Friend may believe that the MAPPA process must have fallen short if the director had to behave in that way—

Mr Mike Hancock (in the Chair): Order. I am sorry, Minister, but I have to interrupt you, because time has caught up with us.

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 8 June 2011

[MR CLIVE BETTS *in the Chair*]

Wild Animals (Circuses)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Stephen Crabb.)*

9.30 am

Robert Flello (Stoke-on-Trent South) (Lab): I am disappointed that I had to ask Mr Speaker for this morning's debate, disappointed that the Minister has had to come to the House to try yet again to defend his position and disappointed that the Government are all over the place on the question of wild animals in circuses.

I am grateful for the support of Members from both sides of the House, and I know that many loyal Government Members will be saddened that they should have to raise the matter. I thank those Members who are here today and those who have sent apologies for not being able to attend; this debate clashes with other business of the House and some Members who wanted to attend cannot do so. However, the hon. Members for Belfast East (Naomi Long), for Manchester, Withington (Mr Leech), for Truro and Falmouth (Sarah Newton), for Brighton, Pavilion (Caroline Lucas), for St Ives (Andrew George) and for Chippenham (Duncan Hames) and others are present, and I am grateful to them for attending.

I realise that after the forestry U-turn, the Department for Environment, Food and Rural Affairs cannot see the wood for the trees, but are Ministers really saying that the thousands of people who have signed *The Independent*'s online petition are wrong, that the 94.5% who responded to the consultation are wrong, or—dare I say it—that the vast majority of the British public are wrong? I understand that the Secretary of State has said that most people would prefer not to see wild animals performing in circuses. The British Veterinary Association has said that

"the welfare needs of non-domesticated, wild animals cannot be met within the environment of a travelling circus; especially in terms of accommodation and the ability to express normal behaviour. A licensing scheme will not address these issues."

Despite all those people saying that 21st century Britain is no longer willing to allow wild animals to perform in travelling circuses, we have a Government and a Department that are dithering and scrabbling to find the flimsiest of arguments to avoid a ban. The Secretary of State is looking to implement a licensing scheme. It is likely to cost £1 million, but it will not resolve the issue—and I thought that the Government were opposed to new regulations and wanted to save money.

Why can DEFRA find time to bring in a new licensing scheme and £1 million to underwrite it, but it cannot pursue a ban? It cannot still be awaiting the consultation results, because they were available more than a year ago. It cannot be starting from scratch, as I understand from the Minister responsible for animal welfare in the last Labour Government that all the paperwork was in the Department's red box last March. Is it that the Minister does not know his Annies from his Nellies? No; I think that he has learned that lesson. Perhaps it is because a huge number of circuses and animals are involved. No, only four circuses are involved—not 40 or 400, but four—and about 40 or so beautiful wild animals. At least, that is how many there are now, but under this marvellous licensing scheme it could well become 60, or 100 or more.

Are someone's human rights being violated? The Minister of State seemed to think so, given his answer to an urgent question in the House on 19 May, yet DEFRA's impact assessment, which was undertaken as part of the consultation, states that there are no human rights aspects. The thought that someone's human rights could be infringed by banning wild animals from circuses would make a mockery of all rights.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Is there a reason why the previous Labour Government failed to address any of these issues in 13 years of government?

Robert Flello: I am grateful to the hon. Gentleman for raising that point, but he is not correct. When the Animal Welfare Act 2006 was going through the House, we debated banning the use of wild animals and concluded that a report—the Radford report, which I shall come to in a moment—should be commissioned. Indeed, by March 2010 a ban was on the cards.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): On the cards?

Robert Flello: Does the hon. Gentleman wish to take part in the debate or just sit and heckle all morning?

Is the problem that the European Circus Association may—or could, or is thinking about, or is sabre-rattling, or has thought up a good ruse, or just might—take a case to the Austrian court? Is Parliament now bound by the whims of a lawyer acting for a European association?

Caroline Lucas (Brighton, Pavilion) (Green): The hon. Gentleman will know that Governments have been given legal advice saying that it would be impossible to ban the import of cat and dog fur, and the same was said of seal fur, yet when Governments challenged that so-called legal advice they were able to make those bans happen. Does he agree that we should challenge the legal advice in this instance, thus ensuring that we ban this cruel practice once and for all?

Robert Flello: I am grateful to the hon. Lady for her intervention. Indeed, I was coming to that very point.

How long does the Minister intend to wait to see whether that hypothetical court case actually starts? If the legal advice from DEFRA officials is so overwhelming, I am sure that the Secretary of State will be only too pleased to publish it. Does the Minister have a copy with him, or will he place it in the Library later today? Legal advice supplied to me suggests that the UK is entitled to make its own domestic legislation on this matter.

Duncan Hames (Chippenham) (LD): The hon. Gentleman may recall that, on the day of the urgent question, I asked the Minister if he would publish the legal advice that he had received. I am pleased to advise the House

[Duncan Hames]

that I received a letter from the Secretary of State yesterday; the Minister has followed through on his commitment to discuss the matter with her. However, I am disappointed and frustrated that, in line with practice elsewhere in government, the Secretary of State has declined to publish that advice. Does the hon. Gentleman agree that, if we cannot see the advice from Government lawyers, it places a greater burden of responsibility on the Minister to argue the merits of that position?

Robert Flello: I am most grateful to the hon. Gentleman; it does indeed place an extra burden, an extra duty, on the Minister. I repeat the point that, if the legal advice is so overwhelming, we should be able to scrutinise it.

I shall take a step back and set out our recent journey to this point. Circuses existed long before wild animals became a feature. Indeed, it is often said that the Roman circuses were the foundation for what we know today. The use of animals in circuses probably dates back to the early 18th century, when exotic animals were put on display. The year 1833 is often cited, as that was when big cats were first seen in a cage act at a circus. Interestingly, the Slavery Abolition Act was passed in that year, as was the Factory Act that limited child labour—a connection that is slightly ironic.

During the passage of the Animal Welfare Act 2006, it was agreed that the use of wild animals in travelling circuses should be banned, subject to there being sufficient scientific evidence. The circus working group, chaired by Mike Radford, concluded that there was not sufficient scientific evidence to justify a ban. However, on a closer reading of the 2007 report, the conclusion seems to be that there is almost no evidence to consider—no evidence to support a ban, and no evidence to support the status quo. My reading of the Radford report is that there is no scientific data for either side to rely on.

There is another argument, however. Do we really need a report to tell us right from wrong? Does a report that says there is insufficient evidence override our moral sense of what is or is not acceptable? In the 20 years leading up to 1833, did Wilberforce say in the face of so-called evidence against him, "Oh well, that's okay. I'll give up now."? No, of course not, and neither should we. I do not suggest that the owners of travelling circuses are cruel or that they mistreat their animals, but I fail to see—and looking around me, I note that colleagues who are here in support of a ban, fail to see—how keeping wild animals in mobile cages as they travel around the country, even with some respite in exercise areas, is for the best welfare of the animals concerned. Perhaps it is me, but I find it plain wrong that wild animals should be used in travelling circuses.

As an important aside, I believe that it is wholly unacceptable for circuses to be targeted for vandalism and worse. We should not descend to that level but should win the argument instead.

Andrew George (St Ives) (LD): I congratulate the hon. Gentleman on securing this debate. He is absolutely right to push this issue. The Government should re-examine the legal case, so that we can move towards a ban as speedily as possible. Does he not think that a further Back-Bench debate, which many are pushing for at the moment, would give us the opportunity to re-examine the legal argument and the apparent legal impediment to a ban? We need to ensure that the Government are given the tools and the encouragement to move towards a ban as quickly as possible.

Robert Flello: I am grateful to the hon. Gentleman for his intervention. The Radford report suggests that, because of the lack of scientific evidence, the legal impediment comes from the use of secondary legislation. It says that the ban could be implemented if Parliament passed primary legislation. Having not seen the legal advice, I can only speculate that that is the problem and that the Ministry is unwilling to go down the route of primary legislation.

Andrew George: I was referring to the EU services directive and the debateable position of the Austrians. If we can learn lessons from that, we could ensure a smooth passage towards a ban.

Robert Flello: Indeed, but coming back to the European services directive, the legal advice that I have seen suggests that that was not an issue. The complaint against the Austrian Government was made in 2008. The European Circus Association took Austria to the European Commission and made a complaint. The case was folded and no further action was taken. The ombudsman looked into the matter and felt that reasons should have been given. Ultimately, though, he found that the European services directive did not apply in this circumstance and that it was up to nation states to bring in their own legislation. Again, I come back to my initial point: if the Secretary of State made available the legal advice, it would be far easier to mount a challenge and for lawyers on both sides to determine whether or not it was robust. If there was a problem, they would at least be able to see it in the open.

The 2007 Radford report noted that circuses have hesitated to update cages and facilities because of the uncertainty. It said then that the status quo was unsustainable, and that was getting on for four years ago. It says that we cannot continue in this way. The Government's own impact assessment says that human rights are not an issue and legal advice says that the European services directive is not an issue, so what is the issue?

As Members already know, circuses are exempt from the Zoo Licensing Act 1981 and the Dangerous Wild Animals Act 1976. The Performing Animals (Regulation) Act 1925 does not address the welfare requirements of performing animals, and as I have mentioned previously, the Animal Welfare Act 2006 can be hard to bring to bear when circuses are travelling around the country. Where does that leave us? In my view, it leaves us quite rightly pushing for a total ban on wild animals in travelling circuses.

Naomi Long (Belfast East) (Alliance): I thank the hon. Gentleman for securing this debate. This issue has been of interest to me from my time at Belfast city council when we banned animal circuses from using council property. I am interested in one of the challenges that is presented by exotic animals being permitted in circuses. Under regulation, or self-regulation, people are required to go through constant retraining as new species are introduced into circuses. Is there not a

chance that that is just impractical in protecting animal welfare and that a complete ban on all species would be better?

Robert Flello: The other thing that that raises is a widening of scope. If it was difficult to use a type of wild animal because it was mentioned in regulation, would circuses effectively be encouraged to start looking at other species to get round the cumbersome and burdensome regulations? All this leaves us pushing for a total ban on wild animals in travelling circuses, as discussed during the passage of the 2006 Act and as proposed at the end of the previous Government. Although the lack of scientific evidence for or against the ban would seem to preclude using secondary legislation, it is for Parliament to use primary legislation to give weight to the ethical issues, the will of the British public and the rights and needs of wild animals themselves.

In conclusion, we have a situation in which DEFRA is once again in disarray and out of touch with the public. The Minister has been given another chance today to get this right. I hope that he will announce today that his Department will introduce a ban without further delay and that the use of wild animals in circuses will be another Victorian legacy that can be properly assigned to the past.

Mr Clive Betts (in the Chair): Does any other Member want to speak? Members have to stand if they want to speak.

9.45 am

Duncan Hames (Chippenham) (LD): I did not realise that there would be so little competition for the opportunity to enter the debate. I have already thanked the hon. Member for Stoke-on-Trent South (Robert Flello) for securing it for us. My timidity was purely because I thought that it would be ill-mannered of me to seek an early speech in the debate given the fact that I will need to leave before it concludes, but as I do not seem to be preventing others from speaking, I will proceed.

I mentioned earlier that by asking the Minister to bring out the legal advice that supported his position, I seek only to aid him. It would certainly shed a lot of light on the situation for many Members. It is a matter of disappointment to me that that will not be possible, but I am sure that we all look forward to the Minister's comments as he tries to explain his position.

Various legal impediments have been presented to the case for bringing an end to the use of wild animals in circuses. Some people have spoken about human rights issues, but the Government, in their consultation, made it clear that they did not believe that was an impediment. Others have looked at the European services directive, which is an interesting case but not one that prevents the UK from legislating as it sees fit on the matter of animal welfare; I recognise that it would require primary legislation.

Given that a ban is in place in Denmark and that Austria has taken measures, we would not be standing alone in that respect. We are not in the position that our views are wholly out of line with those elsewhere in the European Union. Forming public policy to protect animals from cruelty is certainly a legitimate ground for taking legislative action. We have yet to see the legal advice that has prompted this case. It is not for me to claim to be a legal expert on the matter, so I look forward to hearing further clarification.

The key issue about taking action, which has emerged from our discussions both here and in the main Chamber, rests on the potential exposure of the UK to a legal challenge. That is clear given what happened to the case in Austria. I urge the Minister to keep the situation under constant review. If the facts and the threat of legal challenge change, we want the Government to be able to take action. Will the Minister tell us if he is willing to look at the issue as events unfold, or indeed fail to unfold, in other parts of Europe?

At the end of the day, for many of my constituents, this is not a matter of legal nicety. It is about expressing our values in our society. We are prepared to do that on other matters of animal welfare, and there is no reason why circuses should not come under such concerns.

Andrew George: Like my hon. Friend and doubtless many others, I would have liked to contribute further to this debate but unfortunately I too have to be elsewhere shortly for another meeting. Nevertheless, I wish the hon. Member for Stoke-on-Trent South, who secured the debate, great success in advancing the cause.

I want to respond to the point that my hon. Friend has just made. Leaving aside the legal debate around the issue, there must be a debate across all Departments about whether a policy of working towards a ban on wild animals in circuses can proceed. Does my hon. Friend agree that it would be helpful for DEFRA to say, in due course, whether it is minded to introduce a ban if all the other impediments to imposing a ban can be overcome?

Duncan Hames: I thank my hon. Friend for that intervention. I agree that a statement of intent—of desire—by the Government would be helpful, so that our constituents would be in no doubt that the refusal so far to countenance the introduction of primary legislation to end the practice is not a political judgment but a practical one, in light of the legal impediments. A statement from the Government to express that view would certainly be very helpful.

However, in response to the urgent question that was put last month in the main Chamber on this issue, we had a somewhat more laissez-faire piece of encouragement from the Minister, when he said:

> "If people are really so opposed to the use of wild animals in circuses, I suggest that they do not go to the circus."—[*Official Report*, 19 May 2011; Vol. 527, c. 499.]

I am happy to take the Minister's advice, but to be honest I do not think that his response is sufficient. That type of response has certainly not been considered in relation to many other issues of animal welfare. For example, when it comes to the regulation of practices within abattoirs, it would not be sufficient simply to tell people not to eat meat. People who eat meat expect good standards and I know that the Minister's Department is keen to ensure that good standards are upheld. In recent months, concerns have been expressed about other animal welfare issues, for example in horse racing, and it would not have been sufficient for people simply to have turned off the television set that Saturday afternoon in April.

[Duncan Hames]

There are other examples of animal welfare issues when such a response would not have been sufficient, for instance in relation to the fur trade. Yes, consumers, members of the public and society as a whole can take a stand and make their views clear. However, to do that alone ignores the fact that we are all part of one democratic society where we want to be able to set standards that we should all have confidence in, regardless of our personal choices, as I said just now in relation to the meat industry.

I hope that the Minister will accept that there is widespread support for action on the issue of wild animals in circuses. In the Government's consultation, 94% of respondents wanted an end to the use of wild animals in circuses. In addition, 26,000 people signed the petition that the hon. Member for Stoke-on-Trent South referred to in his speech. That petition was also supported by many respected organisations, such as the Royal Society for the Prevention of Cruelty to Animals, the British Veterinary Association, the Born Free Foundation and the Captive Animals Protection Society. I hope that we can find a way through the current impasse.

Caroline Lucas: Like others, I have a meeting to attend shortly. However, I congratulate the hon. Member for Stoke-on-Trent South (Robert Flello) on securing the debate. I want to reiterate the European experience. When I was an MEP and we were trying to progress animal welfare issues in the European Parliament, we were always told to go back to member states and galvanise them. When a number of member states are calling very strongly for action on something, that is precisely what enables the EU position to be much easier. If there is any suggestion that the EU is somehow preventing us from moving on the issue of wild animals in circuses, I reiterate that if we look, for example, at the action that was taken, first, on dog and cat fur, and then on seal fur, on both occasions it was action by member states that enabled the EU to say, "Yes, go ahead", and then the bans on those types of fur could go forward. There really should be nothing stopping us from moving on this vital issue of wild animals in circuses. Does the hon. Gentleman agree?

Duncan Hames: I thank the hon. Lady for her intervention. I certainly agree. It is my view that this matter is not controversial and it is not one on which we stand alone. There is support for us from citizens not only in our own country but in other countries in Europe, and as a consequence we should not be timid about expressing our views.

In fact, there have been many other areas where regulation and action by Government has been far more controversial than in this case, whether in relation to the endless debate—as it was—about hunting or to the delicate balance that must be struck between competing interests around animal experimentation. Certainly there is an argument to be made about the use of animal experimentation for medical purposes but action has been taken to outlaw animal experimentation for the use of cosmetics, where there is much less justification for such experimentation. Indeed, even in relation to some of the issues that we discuss in this place about farming practices, there are much more complex and difficult matters to weigh up when we are considering action to protect animal welfare than in the case of wild animals being used in circuses. It seems to me that the argument for banning wild animals in circuses is very much about protecting animals and we would miss an opportunity if we did not take that action. I hope that the Minister will give us some encouragement in that respect in his response to the debate.

9.56 am

Mr John Leech (Manchester, Withington) (LD): I start by congratulating the hon. Member for Stoke-on-Trent South (Robert Flello) on securing the debate.

Like my hon. Friend the Member for Chippenham (Duncan Hames), I had not intended to make a speech because I am unable to stay in Westminster Hall until the end of the debate. However, given the fact that everyone else here this morning seems to be in exactly the same position, I will briefly take the opportunity to say a few words.

The debate is timely and I am pleased that as part of Back-Bench business, we may have an opportunity to vote on the issue. My impression is that across the House, in all parties, a majority of people probably want a ban on the use of wild animals in circuses, which is in line with the view of the general public; as has been said, 94% of people seem to be in favour of a ban. I very much hope that we will get the opportunity to debate this important issue in the main Chamber, with the opportunity for a vote in the Chamber, so that Back-Bench MPs can express their views and the Government, hopefully, can listen to those views, because I think we actually represent the views of the vast majority of the general public.

My real concern is that the action proposed by the Government might inadvertently legitimise the use of wild animals in circuses. Over a number of years, we have seen a dramatic reduction in the number of wild animals used in circuses. However, by proposing some sort of licensing scheme, there is a real danger that we might legitimise the use of wild animals in circuses. Indeed, it may actually be extended. The hon. Member for Stoke-on-Trent South suggested that we might end up seeing more wild animals in circuses if the Government's proposals go ahead and I do not think that anybody wants that to happen.

In the Minister's closing remarks, will he give us an indication exactly where the decision has come from? It has been suggested that it was actually a decision from the top—from the Prime Minister—and that DEFRA would have been quite happy to go along with a ban but unfortunately the Prime Minister seemed to be strongly in favour of not introducing one. Perhaps the Minister can clarify whether that is indeed the position of DEFRA and whether the Prime Minister has had personal involvement in this case.

For me, a ban is a no-brainer. I recently went to the cinema to watch the film, "Water for Elephants". I am quite happy to plug that film, because I thought it was great. I accept that the conditions in which the vast majority of animals in circuses are kept are very different from those in the film, but I do not believe that wild animals can be looked after appropriately in the sort of cages and the kind of environment where they have to

live in circuses. Although there have been massive improvements over the decades, I think that we would all generally agree that that environment is not appropriate.

I would also like the Minister to explain why the decision was made not to publish the legal advice. As a coalition Government, we have argued that we are more open and transparent than previous Governments, but I am afraid that refusing to publish the legal advice gives our opponents the opportunity to argue that we must have something to hide.

Finally, I want to plug the organisation 38 Degrees, which contacts all Members of Parliament. It has recently been asking them for suggestions about what its next campaign should be. I think it should concentrate its efforts on the campaign to ban wild animals from circuses because the vast majority of people support it—it is a no-brainer. I urge the Minister to reconsider the decision about the advice and bring it to the Floor of the House. Let us see what MPs think and let us ban wild animals in circuses.

10.1 am

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I, too, congratulate the hon. Member for Stoke-on-Trent South (Robert Flello) on securing the debate. I should apologise for referring to him earlier, I think, as my hon. Friend. Members may not know that we recently spent a week together in a tent in the Falkland Islands, where I became friendlier than I had perhaps intended—*[Interruption.]* That is reflected in his comments.

I am not here to make a speech in favour of wild animals in circuses. Such spectacles hold no great attraction for me—I would not go to one myself or take my children to see one. However, I have always been fundamentally opposed to the politically tempting prospect of abolishing things because it suits a particular political narrative. We have seen that total bans do not necessarily result in actual total bans and do not necessarily produce the welfare benefits that some passionate and articulate advocates suggest. Having listened to the debate so far, I am concerned that we are confusing two things which, to my mind, are absolutely different—the welfare of wild animals in circuses and the legality of abolition.

It is right and proper that we should debate the welfare of wild animals, and part of that debate should be about separating cruelty from suffering. Something that has beset animal welfare debates in this House for some time is the fact that we sometimes complicate the emotive description of the treatment of animals in the context of cruelty, which is not a scientific measurement, with that of suffering, which is or can be. We should perhaps put ourselves in a position to legislate on the back of reports and debates on the issue of wild animals in circuses, but that is entirely different from the debate on the legality of abolition.

It is absolutely proper that any Government take the legal advice that they are offered. We simply cannot go around ignoring legal advice on the basis that using expressions such as "total ban" plays to our popular instincts. People will sue us, and the taxpayer will pay if we get it wrong.

Mr Leech: Does the hon. Gentleman accept that it would be far better for the Government to publish the legal advice, so we can all have a look at it?

Simon Hart: I am sure that the Minister will come to that. There is always sensitivity when it comes to the publication of legal advice, particularly when cases are, or are possibly, in play. I do not think that there is necessarily anything to be suspicious about; I do not necessarily smell a conspiracy just because a Department fails to publish advice when we demand it. I am sure that the Minister will, as usual, give a compelling answer to the hon. Gentleman's question.

The Department is absolutely right rigidly to stick to principle and evidence when it comes to decisions on legislating in favour of abolition or of regulation. In many debates on animal-related issues in this House over the years, Ministers have stood up and thumped the table, stressing their commitment to evidence and principle, and have then promptly gone and legislated in the absence of both. That has had long-term consequences for the animals concerned, which have failed to benefit from the legislation, and also for the taxpayer, who has been forced to pick up enormous legal bills—several of which I have been unashamedly responsible for—as the process is challenged in every court in the UK and further afield. It is absolutely proper that the Department should avoid getting itself into that particular pickle.

I can see us moving to a situation, over a period of time—a time scale with which I would be entirely comfortable—in which we no longer see wild animals used in circuses but neither do we subject the taxpayer to undue expense as a result of our over-enthusiasm to do something that is simply popular on the back of an electronic campaign that might catch the mood of the day.

Mr Russell Brown (Dumfries and Galloway) (Lab): The hon. Gentleman has mentioned the taxpayer. The taxpayer comes in a variety of forms, one of which is the council tax payer. The scheme that DEFRA has proposed would place an additional burden on council tax payers, because it would fall to local authorities to license and to inspect but, ridiculously, they would not have the power to prosecute.

Simon Hart: I am grateful for that contribution, but I am not entirely sure that I sympathise with the hon. Gentleman's position. The local authorities are in a more powerful position than he suggests in that they have the ability, presumably, not to regulate or not to license. Despite what the Government may say, that is, to some extent, a local authority decision. I do not want to steal the Minister's ground on that issue as well, because he will almost certainly deal with it himself.

Naomi Long: Will the hon. Gentleman give way?

Simon Hart: I was into my final gasp, but go on.

Naomi Long: I thank the hon. Gentleman for giving way at such a late stage in his speech. He has said that he wants to move to a situation in which wild animals are no longer used in circuses. It is hard, however, to see how regulation would bring that about, because its use would almost be an acceptance that it is appropriate to have wild animals in circuses and that the only issue is the regulation of welfare. My argument is that it is inappropriate for wild animals to be held in such circumstances, because the circus environment is by its very nature not an appropriate place for them.

Simon Hart: The hon. Lady's point is fair, but it goes back to my earlier comment about having to separate the moral, ethical argument about the appropriateness of wild animals in circuses from the legality of abolition legislation. Those things are entirely different; they always have been; and there is nothing particularly new about that. I am fundamentally not an abolitionist—I dislike banning things. I happen to dislike abolition not because I am a 1960s liberal but because I often see examples of the consequences of legislation not being the same as the intention of those who proposed it in the first place. It would be fine for me if we moved to a situation in which the circuses—I think there are only two or three—that use wild animals were not using them in five years' time without our having to go through various legal challenges. Hon. Members and the Minister might take a different view, but that is my position, which I think strikes the right balance between trying to attain the highest possible welfare standards and not compromising the taxpayer's interests.

Penny Mordaunt (Portsmouth North) (Con): Will my hon. Friend give way?

Simon Hart: I will never finish at this rate, but of course.

Penny Mordaunt: I thank my hon. Friend for giving way. I have great sympathy with what he has said about finding a pragmatic solution that is good value for the taxpayer, but does he accept that even if the legal advice is correct, a legal challenge might be unlikely? I have a unique perspective on the issue, because I used to be a magician's assistant. That was my first job, before I gave up that sensible career path for this crazy world, and I am happy to report that the only creature harmed in the shows in which I was involved was, frequently, me. I have some knowledge of the sector, and I think that a legal challenge would be unlikely. We have a pragmatic opportunity. Fewer than 40 animals would need to be rehomed. A ban seems to be the most pragmatic way forward.

Simon Hart: My hon. Friend makes an interesting contribution, particularly regarding her downward career path from magician's assistant to politician. I must confess that I am not overly sympathetic to the process, for the reasons that I have given. Part of me is hugely resistant to the theory that the most pragmatic approach is simply to strike a red pen through an activity, because it suits our political agenda to do so. History is littered with examples of our having fallen for that temptation only to regret it at our leisure and expense.

I will finish on this point. I do not like making cheap political observations too often, but I will make another one now. We cannot ignore the fact that we have lived through 13 years of Labour Administrations who made a lot of noise about such subjects yet failed to do anything about them. Nothing much changed over those 13 years as far as wild animals in circuses were concerned. I hope that my south Atlantic colleague the hon. Member for Stoke-on-Trent South will forgive me for saying that it is a little rich to come here and lay the blame fully at the foot of the current Administration, when his party had such an opportunity to deal with the matter itself.

10.12 am

Zac Goldsmith (Richmond Park) (Con): I was not expecting to be called so quickly, Mr Betts. I was also not planning to speak, as I believe the debate finishes at 11 o'clock and I cannot stay. I hope that you will forgive me for leaving before the debate finishes. I will make a few brief remarks.

Mr Clive Betts (in the Chair): Order. I accept that Members have other, pressing engagements, but the hon. Gentleman should be a little careful about coming in halfway through a debate and leaving before the end. It means that he is not really engaging in the debate, but simply coming to make a speech by himself. I am giving him a bit of advice for the future on that point.

Zac Goldsmith: I will take that on board and will stay as long as I can. I think that the debate finishes at 11 o'clock, and there is a chance that I can stay until then; I will do my best.

I thank the hon. Member for Stoke-on-Trent South (Robert Flello) and congratulate him on securing this debate. I have had a huge number of letters from constituents, and the issue clearly resonates with the public at large. I do not believe that there are any circuses in my constituency that use wild animals, but nevertheless the issue has caught people's imagination. Like previous speakers, I put on record my support for a ban on the use of wild animals in circuses.

I am confused by the Government's position. I do not see any real arguments against the ban, other than abstract ones. It seems to come down to an argument about the vague threat of a possible challenge by the European Union at some point in the future. That seems to be what the arguments boil down to. Alternatively—I do not want to paraphrase or caricature the arguments of my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart))—it boils down to an in-principle opposition to the very notion of prohibition. I share my hon. Friend's antipathy to the use of bans—we have had far too many bans over the past 13 years that could rightly and usefully be repealed—but there are situations in which a ban is the most clear-cut and straightforward solution, and I cannot offer a better example than this one.

I will not rehearse the arguments for a ban on the use of wild animals in circuses, partly because they have already been laid out clearly but also because they are blindingly obvious. The public have an overwhelming appetite for the clear-cut solution of a ban, and the law should reflect the general wishes of the public. If the opinion polls are accurate or even half accurate—92% or 93% of people say that they favour a ban—surely the law should adapt to reflect the interests of that vast majority of people.

I also suspect that if the issue were put to a vote in the House, irrespective of the various positions taken by different parties, Members of Parliament would overwhelmingly support a ban. It would be interesting to see what would happen. I understand that moves are afoot to negotiate a votable motion with the Backbench Business Committee, and it would be interesting to see the result. I suspect that if the Government were to maintain their position, they would lose that vote, although they would probably realise that in time and reverse

their position. I wish the hon. Member for Stoke-on-Trent South all the luck in the world in achieving that opportunity, because the debate would be fascinating.

I encourage the Government to rethink their position, which does not make any sense to Members of Parliament, our constituents or those involved in the campaign for a ban. It seems totally illogical. I will do my utmost to remain here for the rest of the debate in order to hear the Minister's substantive points in favour of the current position, which seems extraordinary.

10.16 am

Mr Jamie Reed (Copeland) (Lab): It is a pleasure to serve under your chairmanship for the first time, Mr Betts. I congratulate my hon. Friend the Member for Stoke-on-Trent South (Robert Flello) on securing this debate. It is evident that he speaks for thousands of people up and down the country. We have heard from Members from various parties in support of a ban on the use of wild animals in circuses. I thank them for showing interest, attending this debate and making such a strong case, which is valuable.

Members' support reflects the views of the country at large. As we have heard, Labour's public consultation last year found that close to 95% of the public want a ban. More than 25,000 people have signed *The Independent* petition calling for one, and every one of us will have had constituents write to us to support taking that strong, simple, pragmatic, clear and logical action.

The Minister's answer to those concerned individuals—I am sure that he will regret it—was:

"If people are really so opposed to the use of wild animals in circuses, I suggest that they do not go to the circus."—[*Official Report*, 19 May 2011; Vol. 528, c. 499.]

How disappointing.

From the moment when this Government took office, their record on the issue has been weak and ineffective. As my hon. Friend the Member for Stoke-on-Trent South has said, proposals were in the red box of the previous Government's animal welfare Minister, ready to go after the election, so the work and heavy lifting have been done, but for more than a year after the end of the consultation, the Government have dithered and delayed in the trademark fashion of the Department for Environment, Food and Rural Affairs. They suggested in answers to Members that they were carefully deliberating, but a written answer to my hon. Friend the Member for Coventry South (Mr Cunningham) confirmed that they had not held a single meeting with animal welfare groups or circus representatives since July last year.

The process went on. Finally, in April, the Secretary of State leaked to the *Sunday Express* that she would be introducing a ban. It appeared that the Government had at last listened to the public and to common sense, and Members from all parties welcomed the news. Unfortunately, as the public are beginning to realise, we made the mistake of thinking that this Government do what they say they will do.

A month later, in another answer, repeated in oral questions and in a written ministerial statement, the Secretary of State claimed that the Government could not implement a ban due to an ongoing case in which the Austrian Government had been taken to court over a breach of the EU services directive. Wrong again; there is no ongoing case against the Austrian Government's ban on wild animals in circuses. That has been confirmed by the Austrian constitutional court, the European Court of Justice and the European Circus Association.

Will the Minister apologise for misleading the House? I hope that he will take this opportunity to do so, but I doubt it. The hasty statement rushed out by the Secretary of State said that she

"would like to avoid any misunderstanding"—[*Official Report*, 19 May 2011; Vol. 528, c. 27WS.]

and pointed out that the Government had got their information from a European Circus Association press release. That Government policy should be determined by a circus press office is unbelievable.

The Minister will now claim that although the Austrian Government might not have been taken to court, they are about to be, which is why the Government cannot introduce a ban, much as they would like to. The issue, however, has already been decided at European level. The European Circus Association submitted a complaint against the Austrian protection law to the European Commission, but the Commission closed the case in 2006, categorically stating that

"animal welfare questions are better left to Member States".

The circuses looked to the European ombudsman to overturn the decision, but instead, just last year, the ombudsman upheld the Commission's decision. The Commission, responding to the Government's announcement against a ban last month, again stated:

"The EU rules ensure services can be easily provided across borders. But there are of course valid reasons for exceptions to the rules and restrictions are allowed".

Since Austria's ban in 2005, other countries, including Luxembourg, Hungary and Greece, have introduced similar arrangements without challenge. The answer is therefore clear: Europe is no reason not to introduce a ban. What other excuses will the Minister provide for the Government's failure? Will he repeat his assertion that a ban requires primary legislation? That is not true. DEFRA's own impact assessment states:

"Section 12 of the Animal Welfare Act allows the Minister/ Secretary of State to make such provisions as he thinks fit for the purpose of promoting the welfare of animals for which a person is responsible. Under this legislation a complete ban on wild animals in travelling circuses could be introduced."

That is pretty conclusive. It is no wonder that that assessment is no longer available on the DEFRA website. Instead, it has been hidden away in the National Archives.

The very same impact assessment dispels the other myth suggested by the Minister, namely that a ban would somehow contravene our obligations under the Human Rights Acts, an argument that my hon. Friend the Member for Stoke-on-Trent South has already put to bed. Without hesitation or ambiguity, the assessment states:

"There are no human rights issues raised by these proposals."

That is a black and white rebuttal of the Minister's ludicrous suggestion from his own Department.

What are the Government proposing instead of a ban? A strict licensing regime that is so strict that the Minister claims it will be as strict as if a ban were in place. If that is going to lead to the same outcome, why not have a full ban? This is absolutely baffling. This is the world of DEFRA today. The Minister must explain

[Mr Jamie Reed]

why he did not follow his own Department's advice from its own impact assessment, and why DEFRA will not publish the legal advice.

The Minister claims that a licensing regime can be introduced quickly, so that animal welfare can be improved as quickly as possible. However, in the Secretary of State's statement to the House outlining the policy, she proposed further consultation on the nature of the licence. More consultation means more delay. It is hardly a speedy resolution or a prudent use of taxpayers' money.

Zac Goldsmith: Does the hon. Gentleman agree that the regulatory approach would not only fail to solve the problem to which the public are demanding a solution, but be far more bureaucratically cumbersome and expensive than a ban? Given that there is no real public demand for wild animals in circuses, does he agree that a ban is the cheapest, cleanest and simplest solution?

Mr Reed: I could not agree more with the hon. Gentleman. He makes the case succinctly, logically and clearly. The situation is precisely as he has described it, and I agree entirely.

Animal welfare organisations, which we must listen to, are absolutely clear that it does not matter what strict rules would be established under a licensing regime. The Royal Society for the Prevention of Cruelty to Animals and the British Veterinary Association agree that a licensing regime is unworkable. They are joined by Animal Defenders International, the Born Free Foundation and the Captive Animals' Protection Society in supporting a ban. Not a single animal welfare organisation supports a licensing approach; the only ones that do are the circuses themselves.

A licensing regime would be practically unenforceable. Even if inspectors were appointed by the Department, the regime would still be overseen by local authorities, if the system continues to be based on that used for assessing welfare standards in zoos. Circuses, unlike zoos, move around, making it impossible for councils to enforce the strict welfare standards that the Minister says that he wants to see introduced.

Even if local authorities wanted to take action, the Secretary of State for Communities and Local Government has just closed a consultation on burdens on local authorities, where he proposes to remove their powers to prosecute for animal cruelty. Not only has DEFRA been forced to implement the biggest cuts of any Department, but it is now being sidelined and ignored by other Ministers. DEFRA has become a laughing stock, an embarrassment and a figure of fun. For every stakeholder and everybody who cares about the DEFRA agenda and environmental politics in this country, it is a disaster.

It is no wonder that DEFRA has been sidelined. We have already seen the humiliating debacle over the sale of our forests, delays to the water White Paper, cuts to the flood defences and confusion on waste, and now we have this excuse for a policy. DEFRA is a Department in special measures and I am not surprised that the Prime Minister has intervened. However, he needs to get a grip and stop treating this Department as the political equivalent of the mad woman in the attic. Intervening to prevent a ban is a mistake. Animal welfare organisations want it; Members in all parts of the House want it; and the public want it in overwhelming numbers. It has been implemented successfully in Europe. There is no need for new legislation, and the Human Rights Act certainly does not have anything to do with it.

The Minister knows this, so I urge him to stop digging and to print the legal advice, or risk accusations of there being none. If he will not print and publish it, why not? Would it be, as has been suggested, because of the hidden hand and influence of No. 10? Is this not more about saving face than animal welfare? This is an opportunity for the Department to do the right thing, to begin the climb out of special measures and to implement the ban. It is what the House wants; it is what the country wants; and I suggest that the Government get on with it.

10.26 am

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I am happy to serve under your chairmanship again, Mr Betts. Surprising as it may be, I am happy to welcome this debate, because it allows me to put on the record a lot more information than I was able to in response to the urgent question a few weeks ago. I congratulate the hon. Member for Stoke-on-Trent South (Robert Flello) on securing the debate, but his introductory speech was full of innuendo and somewhat puerile humour and did not really address some of the key issues that I want to address. I am sorry that several Members have left the Chamber after asking me to discuss particular things in my wind-up speech. Nevertheless, I intend to address their comments, and I hope that they will read my words in *Hansard*.

The whole issue of animal welfare is extremely emotive and creates huge public concerns. As my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) has said, it can sometimes lead to mistakes or unforeseen consequences, but we cannot and should not ignore the fact that it is a matter of huge public concern. We also have to recognise that Governments, like everybody else, have to operate within the law, whether it is law that they themselves have passed or international law to which they are signatories. As I will explain in a moment, it is European law that is significant to this issue.

I have a little more time than is usual in such debates, so I will try to address fairly and squarely all the issues that have been raised. The timetable between primary and secondary legislation has been mentioned. Using secondary legislation to introduce a licensing regime—I will discuss that regime in more detail later—would enable us to consult informally with all the animal welfare and interested groups over the next few weeks and months. A formal public consultation would start at the end of the year, and the regulations would be in place well before the end of next year. It is not feasible to expect primary legislation to be fitted in and to go through the parliamentary process in anything like that time. We would, moreover, also have to allow a period of grace before that primary ban could be put in place, for the animals to be re-housed or for any further action to be taken.

The second issue that I want to raise is that about numbers. I do not think that there is much disagreement that the number of animals concerned is in the order of 39. I saw some figures yesterday that might indicate the number is considerably less than that, but it is in that region. We believe that only one circus is using the big cats—tigers—and that the others have zebras and camels. However, of course, a ban on wild animals full stop would include reptiles and everything else. I think that the hon. Member for Chippenham (Duncan Hames) referred to Denmark, where only certain species have been banned and there is no complete ban on wild animals. That raises the issue of licensing and regulation.

The debate is about whether the matter of animal welfare can be accommodated within a circus. I fully understand those people who believe that the interests of a big cat cannot be accommodated in those circumstances, but that might not apply to everything that comes under the heading of a wild animal. We take the definition of a wild animal to be the one used in the Radford report:

> "a member of a species that is not commonly domesticated in the British Islands; that is to say, a species whose collective behaviour, life cycle or physiology remains unaltered from the wild type despite their breeding and living conditions being under control for multiple generations."

It is worth emphasising that we cannot be absolutely sure, but we believe that all the animals concerned come from several generations of domestic captive breeding. However, they are still wild animals.

A number of hon. Members, including the hon. Member for Stoke-on-Trent South, have referred to the previous Government's work on this matter, the Radford committee and so on. As he and other hon. Members will know, Ministers of this Government are not allowed to see the papers of a previous Administration, but the impact assessment was, of course, published and is a public document. It was based on an initial view of the legal powers available to impose a ban. However—this is the key point and why I am afraid the hon. Member for Copeland (Mr Reed) is somewhat adrift in his criticism—the impact assessment does not give any legal advice at all because that was provided separately. I will return to that issue of openness. As he rightly says, the impact assessment makes the assertion that, under section 12 of the Animal Welfare Act 2006, it would be possible to introduce the legislation to impose a ban, but it does not then provide advice on whether that ban would be upheld if it were challenged in the courts. I will return to that point. The impact assessment should not be seen as being the same as the legal advice, which I obviously have not been able to see.

We should remember that the Radford report summarised the issues as follows. It stated that the scientific evidence that welfare was being compromised was not compelling and, as I said, that although section 12 of the Animal Welfare Act 2006 permits legislation to "promote animal welfare", it does not enable legislation to be made on the basis of ethical or moral judgments about the acceptability of using wild animals in circuses. The welfare argument is given by many people, but—this is the critical bit—the report stated that a ban imposed on welfare grounds would be disproportionate in the absence of evidence that welfare was compromised and that an outright ban might be beyond the powers in section 12 anyway, even if the welfare case was made. Radford concludes:

> "it is submitted that to introduce a ban on the use of any type of non-domesticated animal presently in use by circuses in the United Kingdom…by way of a Regulation made under the authority of section 12 of the Animal Welfare Act 2006 would be vulnerable to legal challenge".

That is printed in the advice given to the previous Government.

It is worth making the point that, during the debate on the Animal Welfare Act 2006, for which I served on the Bill Committee, attempts were made by hon. Members—I have not checked who they were—to introduce a ban through that primary legislation. Labour Ministers at the time—the right hon. Member for Exeter (Mr Bradshaw) was the Minister responsible then—clearly opposed that. In the House of Lords, Lord Rooker spoke for the Government and clearly stated that any measures would have to be based on science. Labour Ministers endorsed the approach that Radford subsequently supported in his report, which was commissioned after the 2006 Act.

The hon. Member for Stoke-on-Trent South raised the issue of human rights. I will not resile from the point that it is perfectly correct that the impact assessment stated that no human rights issues were raised by the proposal for a ban. For the reasons that I have given, no Minister in the present Government can see the legal advice that led to that statement in the impact assessment. All that I can tell hon. Members is that that is not the legal advice that we have now received.

The hon. Member for Stoke-on-Trent South referred to advice that he had received. He did not attribute it, but I guess that it was from Animal Defenders International. We also received that advice yesterday and our lawyers are considering it. Obviously, our lawyers need to take time to consider that advice, but it seems on first examination that it concludes that, in principle, England—I stress that it is just England and that this is an English measure—could ban wild animals in circuses if it were a proportionate measure. However, the advice does not appear to provide any idea about whether it would be a proportionate measure. It does not refer to the Radford report, proportionality or, indeed, the ombudsman, to whom I now come.

I will take a few moments to consider the ombudsman, because it is important that hon. Members fully understand the sequence of events during the mid to late noughties, as they are called, in the European context. That issue was raised in the urgent question, and I am afraid that some of the assertions made were just incorrect. The ban in Austria came into force on 1 January 2005, following which a circus association submitted a complaint to the European Commission on 25 May, arguing that the ban was a breach of the principle of the free movement of services. The Commission wrote to the Austrian Government on 12 October, expressing concern that the ban might infringe the principle of the free movement of services and asking Austria to explain why a ban was a proportionate response to the problem. At that point, the Commission did not regard the question of how to protect wild animals in circuses as one to be left to individual member states, otherwise it would not have asked that question.

Austria replied that a ban was the only way to deal with the issue, and it is perfectly correct that the Commission subsequently decided not to pursue the matter. However, the complainant asked for an explanation and received

[Mr James Paice]

a letter from the Commission in October 2006, purportedly explaining why it had taken such a decision. That letter restated the general principle that restrictions on the provision of services need to be justified, but it concluded that, because animal welfare was so important, the question of how to protect wild animals in circuses should be left to member states.

The matter was then referred to the European ombudsman. In a letter of 19 February 2008, the ombudsman sought a more detailed explanation of the very limited reasoning in the letter, particularly in the light of Austria's failure to provide any detailed explanation of why more limited measures might not be sufficient. On 3 June 2009, the ombudsman made the following draft recommendation:

"The Commission should evaluate the proportionality of the Austrian law. In light of its analysis, if it considers that Austria has not demonstrated that it complies with all the conditions set out in the Gebhard test"—

the conditions that are now in the services directive—

"the Commission should a) pursue its infringement proceeding against Austria or b) provide valid reasons for dropping the case."

In September 2009, the Commission replied in vague terms and the ombudsman therefore made a final decision on 8 March 2010. It is really important that hon. Members read these reports, rather than just taking the selective extracts that we have heard this morning.

I will read out what the ombudsman said. He concluded:

"The statement used by the Commission in order to justify its political stance in the present case, that is, that 'animal welfare questions are better left to Member States' appears to be tantamount to acknowledging that, in all matters concerning animal welfare, the Commission is ready to abdicate from its role as guardian of the Treaties. Such a statement does not comply with the duty to provide correct, clear and understandable reasons to justify the exercise of the Commission's discretionary powers to close an inquiry on an infringement complaint. This was an instance of maladministration."

I therefore suggest that there is ample reason to believe that although that case had to close—the ombudsman could do nothing more than make that finding—in a further application the Commission may well find itself in a very different position.

On our recent legal advice, I am pleased to see that the hon. Member for Chippenham has returned to his seat, as he challenged me on this issue. I am pleased that he has received the Secretary of State's letter, which stated that we will not publish the advice itself. I appreciate that the hon. Member for Chippenham has not long been a Member, but it is a convention, under all Governments going back over a long period, that legal advice is not published any more than any other advice from civil servants to Ministers. Indeed, the Freedom of Information Act 2000, passed by the previous Government, ensured that that remained exempt, so that is the principled reason. I am, however, happy to share an element of detail with the Chamber, with your forbearance, Mr Betts.

Our advice is that any ban on travelling circuses would be vulnerable to a legal challenge both from a circus in another member state on the basis that it contravened the services directive—it is worth emphasising that although I referred earlier to the number of circuses that have their own animals, we believe that circuses buy-in or hire acts from other circuses for part of the season, so that could apply to overseas circuses—and from both European and UK-based circuses under the Human Rights Act 1998. Without strong evidence that a ban is needed for welfare reasons, it is likely that a challenge would be successful. Radford concluded that we do not have that evidence on the welfare reasons.

Article 16 of the services directive requires that we would have to meet three legal tests for a ban: non-discrimination, necessity and proportionality. A ban would meet the non-discrimination test, but we believe that it would fail the necessity and proportionality test because there are means of protecting animals other than with an outright ban. A ban based solely on ethical grounds would be difficult to justify under the services directive, for public policy reasons. A ban can only be used if there is

"a sufficiently serious threat to a fundamental interest of society".

That is not met when we are considering approximately 39 animals in three or four circuses. Under the Human Rights Act, circuses could mount a challenge under article 1 of protocol 1. Any limit on the use of a person's possessions must be proportionate to the aim of the action being taken. It is difficult, on the basis of the welfare evidence, to justify a ban as a proportionate response.

A number of hon. Members raised the issue of licensing. I do not intend to take all the time available to me, but I want to place a number of points on the record. As has been repeatedly said, there are only a few circuses involved in this situation, and a limited number of animals. We will, therefore, not need the kind of big inspection regime that we have for zoos. This is not an issue for local government—I have to emphasise that to the hon. Member for Dumfries and Galloway (Mr Brown), who raised that point earlier. We will use appropriately qualified Government-appointed veterinary inspectors who are independent, obviously, of industry interest groups. It is conceivable that there may be some local involvement in the inspection process, but they will be DEFRA inspectors. The clear basis of the whole scheme—obviously, we are yet to develop the detail—is that it will be self-funding and that there will be no cost to the taxpayer, contrary to assertions made by the hon. Member for Stoke-on-Trent South. Licence fees would be charged on a full cost recovery basis. We will, as I said, publish proposals, and having had informal conversations with relevant parties—

Fiona O'Donnell (East Lothian) (Lab): I apologise for my late arrival to the debate. As part of those discussions, has the Minister spoken to the devolved Governments in Scotland, Northern Ireland and Wales?

Mr Paice: The answer is no, because the issue does not affect the devolved authorities. As I said a few minutes ago in my speech, this is an England-only measure.

Naomi Long: The Minister indicated that there have been no discussions. I am aware that the previous Minister with responsibility for agriculture and rural development in the Northern Ireland Assembly contacted DEFRA about this issue, because I raised it with her.

Her officials had been advised that consideration of the issue was ongoing. It is being followed closely in Northern Ireland and in Scotland.

Mr Paice: I am happy to correct my statement if I am wrong. As I said, this is an England-only matter. *[Interruption.]* I have just been informed that, incorrectly, I said that there had been no contact. We have kept them informed of what we are doing, but in terms of discussions about structure and so on, the answer is no.

Mr Russell Brown: The Minister mentioned zoos earlier, and I seek a point of clarification. Do we keep solitary elephants, camels or big cats in small enclosures in zoos, or is that something that only happens in Scotland? Do we keep solitary animals in zoos?

Mr Paice: I have to confess that I cannot answer that question off the top of my head. The zoo licensing regime stands alone from the subject of circuses. As I think the hon. Gentleman appreciates, that is not my responsibility in the Department, so I am afraid that I am not familiar with the detail of the zoo licensing regime.

Mr Brown: I am pursuing this because, if it is not appropriate to keep solitary animals in small enclosures, surely that is the same with a circus.

Mr Paice: That is a perfectly reasonable presumption to make. I have to come back to the point about how animals are kept, which was raised by the hon. Member for Copeland, and the comments that he attributed to me from an urgent question. In the informal consultation that we are now embarking on, which will lead to draft regulations for formal consultation, we clearly need to take the advice of all interested parties—not just the circus community, but welfare bodies, a number of which have been mentioned today—on what would be appropriate arrangements to ensure the welfare of the animals in a circus, species by species. Obviously, that will vary. We will have to listen to that advice and, presumably, take it. Whatever that advice will lead to will go into the final regulations.

It is quite possible—I can say no more—that the proprietors of circuses, rather than facing the licensing regime, may say that they cannot provide those facilities and stop keeping the animals. I think that the hon. Member for Copeland was trying to ridicule that point, but it is perfectly valid. It could well be—we do not know, because we have not got to that stage in the consultation—that some, if not all, proprietors may say that the costs of licensing, facilities and the area of ground or size of the pen or enclosure are such that they cannot provide them at a reasonable cost and will stop doing so. I cannot pre-judge the outcome, but that is quite possible. What matters—we must not forget this—and what is right at the core of the debate is the welfare of the animal. It is about how we can move, as quickly as possible, to ensure the best welfare for those animals.

I return to my references to the Radford report. Following Radford, the then Government asked two zoo inspectors—I stand to be corrected, but certainly two experienced people—to visit I am not sure how many circuses but at least one to see whether a licensing system could deal with welfare in circuses. They reported that it might well be possible, which is why such a system was considered.

I have no more knowledge of what was in the Minister's red box before the election than anyone else, but if the then Government were proposing a ban, it is for those Ministers to defend why they wished to override the Radford report and the two inspectors. All that I can say is that our advice is that a serious challenge under two pieces of legislation would be likely. I have tried to be open with the House today, and as helpful as I can be, given the constraints.

We can bring in a system of regulation and licensing that would not cost the taxpayer and would swiftly improve the welfare of wild animals in circuses, and that might well lead to a reduction in animal numbers. I find it difficult to believe the suggestion that such a system could lead to an increase in numbers, certainly of the types of animal that we are discussing—camels, zebras, big cats and so on. Someone used the phrase "no-brainer" earlier, and it is clearly a no-brainer that the conditions that we lay down will be pretty rigorous and robust, and therefore expensive to provide, so expecting them to lead to more animals in circuses I find very difficult to understand.

I have taken a little more time because, fortunately, it was available. I have tried to respond to the various points made by Members in all parts of the House. I fully understand that the subject is highly emotive and that the public are seriously concerned about the welfare of animals, as well as about the ethics and morals. As I have tried to explain, however, that alone cannot provide a basis for legislation because we and Governments of all persuasions must accept the legal conditions in which we operate, whether under legislation previously passed by the House or to which we have become signatories as part of international law. We therefore remain of the view that the quickest, best and most effective way of dramatically improving the welfare of animals in travelling circuses is by the system of regulation and licensing announced by the Secretary of State.

10.52 am

Sitting suspended.

UK and Georgia

11 am

Mr Denis MacShane (Rotherham) (Lab): It is a great pleasure to serve under you, Mr Betts.

I declare an interest as chair of the all-party parliamentary group on Georgia. I have just returned from Georgia's European week, which I attended with my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) and the shadow Europe Minister, my hon. Friend the Member for Caerphilly (Mr David). Other friends in the Georgia group, from other parties, were in the country earlier this year.

It is also a pleasure and honour to have the Chairman of the Georgian Parliament, Mr David Bakradze, with us. He has already met Mr Speaker, and we will be meeting the Foreign Secretary this afternoon.

I have a series of questions to put to the Minister, and I hope that he will write to me if he cannot deal with them in his speech.

Ninety years ago, Georgia was a peaceful, social democratic nation, which had escaped the clutches of imperial Russia. Schools, trade unions, co-operatives and votes for women were all established on the Black sea, but that was intolerable to that son of Georgia Mr Stalin, who sent in the Russian army to crush the spirit of freedom and to re-colonise Georgia.

Fast forward eight decades, and Russia looked unhappily on the rose revolution in Georgia, just as it looked unhappily on the orange revolution in Ukraine and on efforts in the other Baltic nations once occupied as Russian colonies to establish their freedom fully. In 2008, matters came to a head with the invasion of Georgia by Russian land, sea and air forces. The tiny Georgian forces fought valiantly and actually shot down a number of Russian aircraft.

However, having occupied large swathes of Georgian territory, Russia did not seek a repeat of 1921. One reason was the courage of the then Leader of the Opposition, now the Prime Minister, who flew to Georgia in August 2008 with other European leaders to show personal solidarity. At the time, the Prime Minister told the "Today" programme:

> "One of the most important things we continue to do is stand by Georgia, give Georgia support—support in terms of rebuilding the infrastructure that's been smashed and broken, support in saying 'You will be welcome as members of the EU and NATO.'"

I believe that the Prime Minister was speaking for the broad mass of the British people in 2008, when he referred on the BBC to the

> "alternative of appeasing Russia and saying, 'All right then, Ukraine, Georgia, the Baltic states, these are your backyard, you can do what you like there and we'll just turn a blind eye'. I think that would make our world far less stable, far less secure. Russia has to understand that she has lost an empire, just as we lost an empire. You have to come to terms with that and it does take time."

I am not sure whether, during the remainder of this Parliament, I shall again quote at such length and with such agreement the words of the Prime Minister, but he was right then, and his comments remain right today. Will the Minister repeat the Prime Minister's words, and confirm that the Government's view is still that the presence of Russian troops and the de facto annexation of the territory of a sovereign UN member state—Georgia—is not acceptable?

The Prime Minister will be aware that two small countries, which were no doubt offered suitable inducements, have offered to recognise the occupied Georgian territories of South Ossetia and Abkhazia. One is Nicaragua, which is currently seeking to negotiate an EU association agreement. Will the Government make it clear to our good friend, Baroness Ashton, that the UK will veto any such association agreement while Nicaragua maintains its recognition of the illegally occupied sovereign territory of Georgia? Might is not right, and the fate and future of both South Ossetia and Abkhazia require careful handling and a new approach. It cannot be right, and does not serve the interests of the people who live there or the hundreds of thousands of internally displaced persons, notably from Abkhazia, who are keen to return home, to maintain the fiction that these are independent states.

There will soon be elections in both Russia and Georgia. On past visits, the Georgian President, Mikhail Saakashvili, told me that he would not seek to stay in office or imitate Mr Putin, who seems to alternate between being President and Prime Minister of Russia in the time-honoured way of pre-1989 Russian rule. I hope that Mr Saakashvili maintains that principled decision, because one of the curses of the post-Soviet political space is the failure to understand the need to have what the French call alternance—a change of Government and a change of leader. The desire of leaders to stay in power for ever debilitates all democratic politics.

There is a genuine problem with the lack of coherent opposition in Georgia. Many are opposed to Mr Saakashvili, but even the most diehard of his opponents would find it hard to disagree that the opposition spends as much time in opposition to itself as to Mr Saakashvili. It seeks short cuts to power, such as staging street protests with windy claims that Mr Saakashvili will be ousted.

Last year, I was in Georgia when the opposition created a tent city around the Parliament, and stopped Georgian MPs attending to their parliamentary business. I listened to the speeches then, just as I saw with hon. Friends the demonstrations last week. I gently pointed out that it is a denial of democracy to try to prevent elected parliamentarians from attending their Assembly, Congress or Parliament. The demonstrations 10 days ago turned nasty when a handful of opposition militants covered their faces in cagoules—we might call them balaclavas—which are the symbol of the extreme right throughout Europe's political history, and used sticks to attack people and the police. The police certainly overreacted and tragically there were deaths, just as there was a death at the London G8 demonstration three years ago.

The Minister for Europe rightly called for an investigation, and there must be no effort to brush what happened under the carpet, but equally the message must be that deliberate provocation aimed at inducing an overreaction with a view to destabilising the country is the antithesis of democratic European politics. I should be grateful if the Minister will write to me with details of the serious allegations that the people who were arrested in Georgia, some of whom were carrying explosives, were apparently sent on the order of forces

outside the country to plant small bombs as part of a deliberate strategy to create tension and destabilisation in Georgia.

Mr Wayne David (Caerphilly) (Lab): My right hon. Friend referred to the demonstration in Tbilisi some 10 days ago, and to elements of the demonstration who were intent on causing trouble. Will he confirm what I saw there: individuals with sticks, weapons and balaclavas who were clearly intent on making trouble rather than having a peaceful demonstration?

Mr MacShane: My hon. Friend is right. He never misses a good demonstration if there is one to witness or take part in, and his witness statement is an important correction to the view that the violence came only from the state security services, even if in my judgment—I have spent too much of my life at too many demonstrations—there was an overreaction by the state authorities.

A strategy of deliberate tension will not help the people of Georgia, who need bread and roses, jobs and freedom, and the patient establishment of democratic norms and values. This morning, Mr Speaker did his opposite number, the Chairman of the Georgian Parliament, the honour of receiving him, and I hope that the Minister will tell the House today that the Minister for Europe plans to visit Georgia shortly. We must not forget the sacrifice of Georgian troops standing side by side with our own in Afghanistan. Five have paid the ultimate sacrifice, and I am glad that the Under-Secretary of State for Defence, the hon. Member for Aldershot, has recently paid a visit. As we approach the third anniversary of the Russian invasion and the Prime Minister's solidarity trip to Georgia, I hope that he will go there again soon. Will the Minister say something about the plans that the Foreign Office might have for a ministerial visit?

Georgia is a loyal friend at the United Nations, and when I met President Saakashvili 10 days ago, I urged him to recognise Kosovo because, for understandable if mistaken parallels, Tbilisi is on the same wavelength as Moscow, not its Euro-Atlantic friends. It would be an important diplomatic step for Georgia to line up with this country, and the bulk of the European Union and the world's democracies, by offering diplomatic recognition to Kosovo.

Mr Saakashvili has insisted that Georgia will never be the first to use force in the event of further military aggression or pressure from Russia. He has said that he is willing to meet President Putin and Prime Minister Medvedev in any place and at any time to negotiate a settlement. Will the Minister assure us that when the Prime Minister goes to Moscow in September, he will urge the Russian leadership to meet Mr Saakashvili and negotiate on a Government to Government basis, instead of continuing with the highly ad hominem abuse that Moscow directs towards the Georgian leader in a manner that demeans the honour and dignity of a great nation such as Russia?

Will the Minister speak to coalition Members of Parliament who serve on the Council of Europe? Many members of the Council were shocked to find that Conservative MPs sit in the same group as Kremlin-controlled Russian MPs, and thus failed to support moves to hold Russia to account for its invasion and occupation of Georgia. As the Minister is a Liberal Democrat, perhaps he will have a word with one or two—at least one—of his Liberal Democrat colleagues at the Council of Europe who take a similar position and seem keen to get into bed with Russia.

Will the Minister confirm that the installation of S300 missiles in Abkhazia is in violation of the ceasefire agreement that was signed with President Sarkozy on behalf of the European Union in August 2008? Will he confirm that the EU, the Organisation for Security and Co-operation in Europe, and other international monitors, are denied full access to Russian occupied territories in Georgia, in violation of the Sarkozy-Medvedev agreement? I have seen the new internal line of occupation and European division deep in Georgian sovereign territory. How sad to look through sandbagged bunkers over barbed wire, at Russian soldiers under a Russian flag glaring down their gunsights at me. Surely that is not the Europe in which we wish to live two decades after Soviet communist tyranny came to an end.

Mr John Whittingdale (Maldon) (Con): In case the right hon. Gentleman's earlier remarks suggested that there are differences between the parties on this matter, let me say that a few months ago I went to Georgia with the Inter-Parliamentary Union. I, too, visited the internal border with South Ossetia and saw the Russian troops through binoculars. Admittedly, they were standing around looking rather bored, but I agree that it is wholly unacceptable that such a throwback to the old Soviet empire exists today, with Russian troops occupying part of an independent sovereign state.

Mr MacShane: The hon. Gentleman is right. I wish that more people could see that Russian occupation, and the sandbags, barbed-wire divisions, checkpoints and full-scale occupation that we thought had disappeared 20 years ago. It is a shocking sight in contemporary Europe.

Will the Minister convey to the Minister for Europe my request, and that of many hon. Members, that he goes to Georgia to see the situation for himself, and will he ask the Prime Minister to reaffirm UK support for Georgia? Why has the Foreign and Commonwealth Office cut the grant to the British Council in Georgia by nearly 50%? Surely we need more contact with Georgian civil society, not less. The Georgian economy is doing well and growing by more than 6% a year. As Professor Neil MacFarlane of Oxford University noted in a recent paper for the Royal Institute of International Affairs at Chatham House, on whose council I have the honour to serve:

> "Economic performance since the 2008 war has been better than expected."

That, he argues, reflects

> "the Government's improvement in economic governance since the rose revolution. The Saakashvili Government did a very impressive job of stabilising the political situation after the war."

There are opportunities for UK business, especially in tourism, education and services, and I am seeking to establish contacts between the scrap metal industries in both our countries. It may be little known in London, but Britain and Georgia are experts in the business of scrap metal. Due to great demand, more steel was

[Mr MacShane]

produced last year than in most of the previous century, so there is some economic opportunity for the northern regions of the UK and Georgia.

Georgia is wisely opening its borders to investment and abolishing visa requirements for its neighbours, and it is time that Britain liberalised its visa regime. In the current issue of *The House* magazine, Members can read an article by my hon. Friend the Member for Birmingham, Edgbaston about the visit she went on with me and our hon. Friend the Member for Caerphilly to Europe week in Georgia. She states that the EU should offer a type of European Free Trade Association deal to Georgia. It is for the four remaining EFTA member states to decide who can join them, although EFTA countries have to accept most EU directives and regulations, which may not be appropriate for Georgia at this stage of its development. My hon. Friend is right, however, to underline the need for Georgia to develop good relations with the EU. As ever, it is strange to go to a small nation such as Georgia and hear positive words about the EU, and then come home to listen to the whine of Europhobic comments from the Conservative party and the Europhobic media. Luckily, the Minister is a Liberal Democrat, so we will hear no such nonsense from him.

Russia's policy is clear: Russia up, America down, and Europe out. I want to see a common EU policy in the Black sea region, and a common EU policy towards Georgia that aims to bring the country fully into the community of European nations. I hope that the Minister will instruct his officials to work towards that end.

11.15 am

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): Thank you, Mr Betts, for the opportunity to conclude this short but important debate; it is a privilege to serve under your chairmanship.

I congratulate the right hon. Member for Rotherham (Mr MacShane) on introducing the topic with his customary panache and considerable wisdom; it is an important opportunity for hon. Members to consider our relationship with Georgia. We all benefit from the right hon. Gentleman's long-held interest and active approach towards Georgia, and I am pleased to join him in welcoming the Speaker of the Georgian Parliament to this short debate. I am also pleased that the Speaker of the Georgian Parliament has had the opportunity during his time in London to meet the Speaker of our Parliament, and that he will meet the Foreign Secretary this afternoon.

Georgia matters to Britain, and its stability, democracy and prosperity are important. The Government are keen to build on our excellent bilateral relationship and help Georgia to become a leading example of a country that has made a successful transition to democracy and an open market economy. Georgia is a key energy transit route and provides a corridor from central Asia to Europe, which importantly bypasses Russia. That makes Georgia an important partner and offers good prospects for United Kingdom trade and investment. The right hon. Gentleman also touched on existing economic opportunities, and the Government are alert to those opportunities and are working to develop them.

Since the rose revolution, President Saakashvili's Government have embarked on an ambitious reform programme that combines modernised law enforcement bodies, market liberalisation and the building of democratic institutions. Georgia has made a great deal of progress in a relatively short period of time.

Mr David: Does the Minister agree that one of the most impressive changes to have occurred in Georgia is the transformation of the police force? The Georgian Government have acted speedily in that area to bring about not only change but a transformation in a short space of time.

Mr Browne: I have not had the same opportunity as the hon. Gentleman to see those matters at first hand, but I am delighted that he feels that important progress has been made. Such progress is a key trait of a country that is increasingly embracing those values to which we in Britain attach importance.

Mr Whittingdale: On that point, I concur with the hon. Member for Caerphilly. As the Minister may know, I am chair of the British-Ukraine all-party group. One of the greatest problems afflicting all former Soviet states is corruption. I am hugely impressed by the progress that Georgia has made in stamping out corruption, which is the greatest barrier to the development of industry and trade with those countries.

Mr Browne: I am further reassured by that piece of expertise. It is important to have police forces which are not corrupt, which the public have confidence in and which strike the right balance in maintaining law and order without inappropriately extending the power of the state.

Although considerable progress has been made, I am sure our Georgian friends will readily agree that Georgia must keep up the pace of economic and political reform to realise her Euro-Atlantic aspirations. With parliamentary and presidential elections in 2012 and 2013, Georgia will be stronger for vigorous debate between the Government and the democratic opposition.

We are saddened by the loss of life and injuries caused on 26 May, when a demonstration in Tbilisi turned violent. The right hon. Member for Rotherham has given his analysis of that situation. The British Government are concerned about allegations of excessive force used against some protesters and journalists, and we urge the Georgian Government to ensure that there is a prompt and transparent investigation.

Equally, we are concerned by reports that some protesters were more interested in violent confrontation than peaceful protest. As the Minister for Europe has said, there is a place for legal protest and demonstrations in a democracy, but there can be no place for the organised violence that some, including the right hon. Member for Rotherham, believe was the characteristic feature of the protest on 26 May.

We strongly support Georgia's independence and territorial integrity and its continued progress towards European Union and NATO integration. I take the point made by the hon. Member for Caerphilly (Mr David). As we can also see in the Balkans, there are many countries around Europe that are not members of the European Union but aspire to be members, which is an

important lever for ensuring progress in those countries. We should bear that in mind during our internal debates in Britain. We are arguing Georgia's corner strongly in negotiations on closer integration with the European Union, and in NATO we are backing Georgia's efforts to meet the standards required for eventual membership.

We stand firmly with Georgia in its ongoing dispute with Russia over the breakaway regions of Abkhazia and South Ossetia. When the Prime Minister, as the then Leader of the Opposition, visited Tbilisi in August 2008 in the immediate aftermath of the conflict with Russia, he highlighted the importance of holding Russia to account for its actions. More than two and a half years after the conflict, we continue to press the Russians to comply fully with the Sarkozy-Medvedev agreements that ended the fighting in 2008—in particular, by allowing access for the EU monitoring mission to Georgia's breakaway regions and withdrawing troops to pre-conflict positions.

Mr MacShane: May I reiterate the importance of making the position clear to Nicaragua? Vanuatu, wherever that is—it may still be above the sea somewhere—has also recognised South Ossetia. But in the case of Nicaragua, which is a serious country, it cannot expect to have full agreement with the EU while it is still playing these childish games of interference in the Black sea region.

Mr Browne: Perhaps I will gloss over the right hon. Gentleman's observations on Vanuatu. I accept that Nicaragua has a foreign policy that is occasionally erratic. I will ensure that his points are understood and that the people in the Foreign Office who consider Latin American policy do not do so while divorced from considerations about Georgia and, more widely, European issues.

The British Government work hard to keep the unresolved conflicts on the EU's agenda and continue to fund the secondment of UK personnel to the EU monitoring mission. That mission has played a crucial role in promoting stability and preventing renewed fighting in the region. However, Russian pressure on Georgia is persistent and persistently provocative. We remain concerned about the Russian military build-up in Georgia's breakaway regions. Georgia has shown admirable restraint, and we encourage it to continue to do so as a solution is sought.

Georgia's conflicts will not be resolved overnight. Resolution will require patience and engagement from all sides in the long term. We continue to encourage the Georgian leadership to engage the South Ossetians and, in particular, the Abkhaz. Direct dialogue with the breakaway regions is the only way to prevent their de facto absorption into Russia and to lay the foundations for a negotiated solution, however distant that prospect may appear at the moment.

The United Kingdom has worked alongside other international partners to encourage a policy that does not isolate the breakaway regions but gives them incentives to maintain links with Georgia. We will continue to support projects that provide people-to-people contacts that help to improve understanding between Georgians, Abkhaz and South Ossetians; support confidence building and conflict resolution; and improve the human rights and welfare of the affected populations. Again, we recognise that that will not be easy, but we will encourage Georgia to take a pragmatic and flexible approach to engagement that will help to persuade the people of Abkhazia and South Ossetia that they stand to benefit from co-operation with Tbilisi.

The United Kingdom continues to support fully the Geneva talks, which remain an important tool for conflict resolution. They remain the only regular forum at which all parties to the conflict meet. The regularity of the meetings, combined with the local-level incident prevention and response mechanism meetings, helps to manage tensions among Georgia, Russia and the breakaway regions. Despite the slow rate of progress, we believe that it is very important to continue the talks, thus keeping open the prospect of building on areas of common interest—in particular, human rights and internally displaced persons.

The British Government believe that the European Union plays a crucial role in preserving stability in Georgia through the presence of the EU monitoring mission, an EU special representative and a comprehensive package of financial assistance. The UK continues to offer strong political support to the EUMM, currently providing 17 monitors and headquarters staff. The presence of the EUMM has been a crucial stabilising factor, helping to defuse any potentially serious situations along the administrative boundary lines. With the demise of the United Nations observer mission and the OSCE mission in Georgia, the EUMM is the only remaining international observer mission on the ground, although it does not have access to the breakaway regions. We continue to raise that with Russia.

The prospect of greater integration with the European Union, particularly on trade and visas, remains a key driver of Georgia's reform programme, as I have mentioned. Negotiations on an EU-Georgia association agreement started last year. We look forward to further progress on that and towards achieving a deep and comprehensive free trade agreement, while encouraging and assisting Georgia to meet the necessary technical requirements. Progress in those areas will help to improve trade and prosperity and bring about closer ties through culture and education.

On that note, I acknowledge the points made by the right hon. Member for Rotherham with regard to the British Council. I value the work of the British Council. It is very important that Britain's values, if I can put it in those terms—I am talking about our soft power—are extended through the work of many institutions, of which the British Council is one. Georgia's culture and traditions are part of the European heritage, and the younger generation in particular are attracted by what we might describe as broad European values. There is a particular interest in learning English, which is now officially the second language of Georgia. It is obviously in our interest that that interest is encouraged. I am pleased to note that the British Council is working to take advantage of that demand, building on its strong reputation locally. I hope that the British Council will be able to continue to exercise a strong presence in Georgia.

I reiterate the United Kingdom's strong support for Georgia. The Prime Minister underlined that when he met President Saakashvili at the Lisbon summit last November. Only this week, the Minister with responsibility for international security strategy, the Under-Secretary of State for Defence, the hon. Member for Aldershot (Mr Howarth), was in Tbilisi to discuss Georgia's NATO

[Mr Jeremy Browne]

aspirations and to thank Georgia for its invaluable support for our joint efforts in Afghanistan. The right hon. Member for Rotherham rightly recognised that, and the Minister for Europe—the right hon. Gentleman also asked about this—plans to visit Tbilisi later this year.

All that adds up to a strong bilateral relationship, which we hope to develop even further as we continue to support Georgia's desire for deeper European Union integration, assist the Georgian reform process and work to enhance trade links. Again, I thank the right hon. Member for Rotherham for the opportunity to discuss these issues. I also thank other hon. Members who take an interest in Britain's relations with Georgia and matters in Georgia more generally, and I encourage them to continue to take an interest.

In conclusion, I again extend a warm welcome to our Georgian friends who are here in London. I know that the Foreign Secretary is very much looking forward to meeting the Speaker of the Georgian Parliament here in London this afternoon.

11.29 am

Sitting suspended.

Victim Support

[Mr Lee Scott *in the Chair*]

2.30 pm

Andrew George (St Ives) (LD): It is a pleasure to serve under your chairmanship, Mr Scott. I am pleased to have secured this debate on the support for victims in the judicial system. Many Members are interested in the subject, and some might wish to take part in the debate. I made it clear to both the Minister and the shadow Minister that I wish to focus on the tragic case of Claire Oldfield-Hampson, which I raised more than 10 years ago in a parliamentary debate on 8 January 2001.

I have been working on the case with Joanne Bryce and her family, who come from my constituency in St Ives. We have pursued a number of issues that have arisen from the killing of Claire Oldfield-Hampson in 1996. Unfortunately, those issues have never resulted in any kind of closure for the family and many remain unresolved. I am pleased to say that my constituent was able to visit me in Parliament today and will be monitoring this debate.

I wish to bring this issue to a number of general conclusions that may be relevant to other cases in today's debate. I have given the Minister advance notice of the background to the case and the issues that arise that are relevant to his portfolio. A range of concerns fall under the broad umbrella of victim support. No doubt, Members will find that a number of those concerns differ from the ones that they want to raise, but some will be similar.

We are debating this issue on a day when the consultation on the Government's sentencing policy has come to a close. Although that is not directly relevant to the issues that I raise, there are some indirect references to the manner in which the cases are dealt with. In this instance, the case was mounted in mitigation. In other words, the convicted was prepared to accept a manslaughter charge rather than a murder charge.

I come to this issue in support of my constituents. I have no legal training or any experience of the court system, particularly the criminal justice system. Looking at the issues that have arisen from this case, I have to say that I was overwhelmingly shocked at what I considered to be an absolute travesty of justice. As I said in the debate more than 10 years ago, this is the case of an innocent victim who was treated by the judicial system as if she were the perpetrator of the crime and her husband the victim: the trial primarily dealt with the case in mitigation and did not address any of the points that would have challenged that.

The people whom we are talking about today are the victims of a series of events, which, if their case gets to court, could be described as life-changing, life-defining or, tragically in the case of Claire Oldfield-Hampson, life-ending. The justice system uses as a metaphor the image of the scales—the scales of justice—which have to be balanced. Yet the debate that takes place is often remote from the events themselves and can be conceptual and intellectual. Those engaged in the system never wish to appear to prejudge any case. None the less, the case that I wish to present today shows that victims are often treated in an imbalanced manner by the system itself.

Let me explain the background to the case. According to the courts, Claire Oldfield-Hampson was unlawfully killed by her husband with a hammer on 25 September 1996. He buried her body in a shallow grave in the garden in the early hours of the following day. Within two days, he was using her bank accounts and leading a life of deception involving their seven-year-old child, Felicity, who provided excuses for her mother's absence.

The deception was perpetrated for two years. Calls in person and by telephone were received by Hampson and further excuses were given. Regular contact was maintained between Felicity and her grandmother, Mary Oldfield, who became a constituent of mine, but who sadly died a few years ago. At that time, she lived only five miles away. Mary met the child on a fortnightly basis. She baked cakes to send to Claire, knitted for her and exchanged Christmas, birthday and wedding anniversary cards. They had been very close. Mary Oldfield gave a cheque for £3,000 to David Hampson to give to Claire to help them through some difficult times and she offered them a car. The family was supportive to the Hampsons in many ways.

The deception continued until the family—Joanne Bryce and her husband, Alex—became increasingly concerned and encouraged the commencement of police investigations in December 1998. Hampson confessed to killing his wife only when it became absolutely clear that there was no other possible explanation for her absence.

Hampson was tried at Northampton Crown court in October 1999. He pleaded guilty to manslaughter on the grounds of diminished responsibility because he alleged that he was depressively ill as a result of his wife's constant nagging.

Judge Francis Allen concluded by accepting that Hampson's wife behaved in a way that was calculated to impact on his mind. The judge gave Hampson a six-year prison sentence that was then reduced to four years on appeal in July 2000. He was released in December 2000, only 14 months after the original trial.

During the two-year deception, Hampson plundered Claire's bank account, shares and insurances to the tune of £11,000 and fraudulently claimed benefits. The intention of seeking a conviction for fraud was dropped on the grounds that Hampson would ultimately be tried for a more serious capital offence. Four days before the original trial, the Crown Prosecution Service accepted a plea for manslaughter. No witnesses were called; there was no jury; and the trial took under an hour. If anyone wishes to read an example of what I consider to be injustice, they should read the transcript of that trial, which was purely a case in mitigation.

Claire Oldfield-Hampson was killed by her husband in 1996 and then she was exhumed by the state from the garden that she had been buried in, dragged along to the court and slaughtered again in public—verbally. It was a travesty, frankly. I urge people to look at this case. If it is an example of what our judicial system does, we should be ashamed of what we do in the name of the victims of capital offences, such as murder and manslaughter.

In fact, there were several travesties in the court, beginning with the opening words of the defence counsel. The defence counsel said that Hampson was

"a man of good character".

Hampson killed his wife; buried her in the garden; took her money from her; deceived her family and the world; involved a child in that deception; attempted to defraud the benefit system; fraudulently accepted money from his mother-in-law; and he only accepted his guilt at the 11th hour. In addition, he had a less than impressive—in fact, it was rather dubious—employment record. Apart from all that, perhaps he was a man of good character, but the rest of it does not look very good, does it? Nevertheless, we were told that he was

"a man of good character".

We were also told that Hampson was depressively ill and that there was a causal link between that illness and the killing. Two years after the killing, he was seen by two psychiatrists. Basically, the case for prosecuting him for manslaughter rather than murder was based on what I described at the time and still describe now as the flimsy science of retrospective psychiatry. Somehow, it is thought that a psychiatrist can determine the state of mind of someone two years previously—someone who, as the evidence shows, was known to be very successful at deceiving people—yet Hampson was able, in my view, to deceive everyone involved in the whole system into believing that he had taken those actions and killed his wife as a result of her constant nagging, which we were told had impacted on his mind. In fact, we were told that the nagging was calculated to impact on his mind. So we were told that Claire was constantly nagging Hampson, making him depressively ill. Once again, however, there was little corroborative evidence and no opportunity for proper cross-examination.

Perhaps what was most hurtful of all were the claims made in the case that Felicity, Claire's seven-year-old daughter, had

"received very little love or affection from her mother".

The transcript of the case continues, saying that Felicity

"turned very much more to her father, who was a warm, kind and loving parent to her."

I sent the *Hansard* report of the 2001 debate in Parliament on this case to the then Director of Public Prosecutions, David Calvert-Smith, and subsequently I met him to take him through what I considered to be some of the inadequacies in the system. We went through some of the issues and indeed he wrote to me again in August 2001 to try to contradict some of the claims that I had made to him. The claim that Claire's daughter received very little love or affection from her mother might sound like a rather subjective assessment, but I felt that it was very significant and that I should say so. Joanne Bryce and her husband demanded a police investigation, which was undertaken by Bedfordshire police, as a result of the complaints that were made about the way that Claire's family were treated.

Then David Calvert-Smith wrote to me out of the blue in December 2002 with a letter of apology, which I thought was very noteworthy. In that letter, which is dated 24 December 2002, he said:

"Specifically, in my letter of 7 August 2001 third paragraph I asserted there was no evidence on the prosecution file to support the statement "that Claire loved her daughter very much". At the time of the prosecution and indeed at the time I wrote to you that was correct. What has now become apparent from the Bedfordshire enquiry is that had other witnesses been seen and interviewed during the original investigation and other sources of information examined and revealed to the CPS, then that assertion (that there was no evidence that Claire loved her daughter) should not, and

[Andrew George]

would not, have been made. Although not directly privy to the Bedfordshire Police enquiry, the Chief Crown Prosecutor for Cambridgeshire and his staff have been assisting that Force's investigation in every possible way. I do not know and cannot anticipate what the eventual outcome of that enquiry will be"—

etc, etc. He continued:

"My statement will understandably have caused distress to Mr and Mrs Bryce. I am sorry that you and they were given what has now been revealed to be wrong information."

The fact is that one of the fundamental arguments in mitigation was the charge that Claire was an uncaring and unloving mother and a nagging wife. Of course, just a small amount of additional investigation proved that charge to be untrue.

Quite apart from what, in my view, was the travesty of justice meted out to the memory of Claire Oldfield-Hampson by two courts of law, a number of other issues need to be addressed. Some of them have been addressed by the Government since the trial. The Crown Prosecution Service at Huntingdon had said that the charge would never be downgraded from murder to manslaughter, yet Claire's family were told only five days before the trial that the charge would be manslaughter rather than murder when the CPS phoned to let them know, giving them no opportunity to have a discussion or to challenge why.

My constituent, Joanne Bryce, points out:

"There was no trial only a hearing with no jury and no witnesses, and no-one to challenge the information that had been taken from Hampson."

Only Hampson's argument was heard. Joanne also pointed out:

"There was a complete character vilification of Claire – 9 out of 11 national newspapers ran with the headline "Nagging Wife killed by husband". It seemed that nagging was the capital crime and the killing just a minor incident. All this went unchallenged...Claire's personal diaries must have evidence of family relationship".

There was certainly a lot of material in Claire's diaries that was never made available at the time or shown to the court. There was also video evidence about Felicity's relationship with her mother and Joanne notes that

"there were 66 exhibits which had there been a trial would have been in the public domain."

I have already mentioned the flimsy science of retrospective psychiatry. The police failed to provide a Home Office information pack; they did not provide a family liaison officer and there was a failure to identify the senior investigating officer, so Claire's family were never told who that officer was. There was a failure to provide information about the Criminal Injuries Compensation Scheme in respect of the funeral expenses; there was a failure to obtain evidence of Claire's character; there was a failure to investigate fraud and theft; and the family were denied access to Felicity, who had been placed in the care of the murderer's family.

There are other issues that have arisen that I want the Minister to address, particularly the fundamental right of a murderer to remain the next of kin of their victim. As a result, the murderer still has the right to access the estate of the person they have murdered, in the case of a domestic killing such as this one, so my constituent, the sister of the woman who had been killed, had no right of access to the house, whereas the murderer's family could go in and help themselves to what they wished. She had to plead with the murderer for access to the death certificate to proceed with the funeral. The murderer had full access to all the family heirlooms and to Claire Oldfield-Hampson's records from way before they first met, but all of that was denied to the blood relatives.

I think the Minister knows the question I wish to ask today. Is it not right that someone charged with a capital offence, but not yet convicted, should have such rights at least suspended, if not removed entirely? I cannot understand how this kind of situation can occur in this country, with a murderer having control over the estate and life memory of the person they have murdered. Should we not be addressing ourselves to these issues?

There was a swathe of other failings in the case, many of which were identified by the Bedfordshire police investigation. The report of the investigation was submitted in December 2002, but even now, nearly 10 years on, the family are seeking to gain access to the full version, which contains more than 100 redactions.

Before today's debate, I sent the Minister my notes, and I urge him to look carefully at the case and address the issues that I have outlined. I had hoped that the Claire Oldfield-Hampson case was a one-off, but since then other people have contacted me about similar ones. Recently, Angela Geddes of Carnoustie in Angus contacted me. She spoke out after her father Roger admitted killing his wife Ann at the couple's home there. She gave me a newspaper cutting, which states:

"The daughter of a woman killed in a horrific axe attack by her husband has hit out at a decision to allow her father to plead guilty to a reduced charge of culpable homicide. Speaking after her father Roger Geddes admitted killing wife Ann, the couple's daughter Angela Geddes said: 'The family are devastated at the lack of justice and the charade we have seen in court'."

That case is in the different legal context and judicial system of Scotland, but the killing took place only last year and the same argument applies. Angela Geddes says:

"I do believe he has managed to deceive the psychiatrists who do not know his true colours and only hope he shows them before he is released and becomes a danger to my family and the wider public."

Again, just last year psychiatric evidence was used to mount a case in mitigation.

It is a good thing that this Government and the previous Government have committed resources to Victim Support and other advocates for victims. There is also the code of practice for victims of crime, but even Victim Support has contacted me to complain that although the code covers most of the issues,

"Local Criminal Justice Boards have now been asked to stop reporting on it to the Ministry of Justice, meaning it's now essentially not being enforced. This bodes very badly for victims".

Steve Rotheram (Liverpool, Walton) (Lab): The hon. Gentleman paints a very vivid picture of the trials of his ongoing fight for justice for his constituents. I was interested to read the extract from *Hansard* that he sent us, of a speech he made in the House in 2001:

"First and foremost, our justice system should consider the victims and their families. After all, it is primarily on their behalf that our society seeks to uphold the law and administer justice. Victims are already grieving and aggrieved parties. The process should not leave them more aggrieved."—[*Official Report*, 8 January 2001; Vol. 360, c. 852.]

In my constituency, James McVey, a young man of just 18 years of age, lost his life to what is sometimes termed "a one-punch assault." Does the hon. Gentleman agree that at times far too much emphasis is placed on the rights of the perpetrators of acts of violence and not on the rights of their victims?

Andrew George: Although I say it myself, I could not have put it better myself. The hon. Gentleman's point is absolutely right. The conclusion that we draw from these kinds of cases is that the perpetrators appear to be treated with a great deal more respect than the victims. I do not think that we have the balance right; the scales of justice have tipped over too far in some cases.

I am aware that many other people wish to take part in the debate and I apologise for having spoken at such length, but I feel very passionately about this deeply concerning matter. I have these questions for the Minister. Does he agree that the issues raised by this case and by the difficulty that we have had in trying to secure justice, clarity and closure, would benefit from a departmental review? What progress has been made in the 10 years that have passed since I first raised the issues, and what progress still needs to be made? Although the introduction of victim statements has helped, they have been rather intermittent and not widely used, so what further proposals are there to ensure that victims and their families receive fair treatment? Does the Minister agree that it is appropriate to suspend the rights of people charged with murder and manslaughter, including their entitlement to be next of kin, hold the death certificate and handle the victim's estate, and finally, does he agree that claims made in mitigation should be open to challenge in court by victims and their families?

My constituents have been unable to achieve what they seek: closure. In fact, the further they look into the case the further they appear to be from closure. We would certainly welcome an opportunity to meet the Justice Minister to ensure that lessons are learnt from this and the many other cases in which we believe justice has not been served.

2.58 pm

Tracey Crouch (Chatham and Aylesford) (Con): This is the first time that I have had the pleasure of serving under your chairmanship, Mr Scott, and I hope that I do not disappoint. I assure both you and Members who are hoping to speak that I intend to make only a very short contribution.

I congratulate the hon. Member for St Ives (Andrew George)on securing the debate, and I am afraid that with my contribution I shall further demonstrate that his constituents' experience was not a one-off. This is a very timely debate because yesterday one of the men convicted of murdering Russell, the son of my constituents, Mr and Mrs Crookes, was released from prison after serving a 12-year sentence. The murder of Russell Crookes by Graham Wallis and Neil Sayers was brutal and sent shock waves through the local community, but it is the experience of the victim's family, who have lived the past 12 years at the mercy of the criminal justice system, on which I wish to focus this afternoon.

As I read the *Hansard* of the debate secured by the hon. Member for St Ives a decade ago, I was struck by his words:

> "I simply want to make the case for greater consideration in the courts of victims and their families, especially in cases involving capital offences in which victims cannot be present in person to defend themselves against accusations that may be made against them."—[*Official Report*, 8 January 2001; Vol. 360, c. 848.]

Russell was a victim who could not defend himself. In the blink of an eye, his family lost their son. They will grieve for ever, but they lost more than their son; they lost their faith in a system that has, in their view, consistently put the rights of the perpetrators before their own. That system promises on paper to protect and support victims, but sometimes fails to do so in practice. The charities that do an excellent job of supporting victims' families emotionally are being undermined by mistakes that could be avoided easily if the system were improved.

I do not have time to discuss in detail all the errors experienced by the Crookes family, but Mr Crookes has been left in no doubt that the victims of crime and, in his case, murder are treated with little or no thought whatever. It is clear from my constituents' experience that communication and co-operation between the various units working within the criminal justice system are poor and need complete overhaul. In his case, the left hand and right hand did not always know what the other was doing. Unfortunately, as a consequence, the Crookes family lost the opportunity to provide a victim personal statement to the parole board reviewing Mr Wallis's conditions, an incident that a previous Justice Minister called "unacceptable".

As the family of the victim, they have experienced additional trauma due to communication failures and have often been left feeling that the system is loaded in favour of the perpetrator of the crime, with little or no understanding for the victim. A recent example occurred when the Crookes family requested that a particular London borough be included in the exclusion zone when Mr Wallis was released, as a member of the Crookes family regularly works in and visits the borough. Their request was not granted, as the perpetrator has family of his own in the borough, which would apparently assist greatly with his rehabilitation into the community. The decision has left the Crookes family feeling as though asking for their views was merely a tick-box exercise. Although they recognise that their natural desire for the men who killed their son to stay in prison for ever is an impossible one, they feel that it is unjust that their rights should appear secondary, and that is what makes them angry.

Finally, I turn to the financial impact on victims' families. The issue has been in the news recently, and I know that the Government and the victims' commissioner are considering it, which is welcome. Understandably, the families of those who are murdered can be left severely traumatised during difficult periods such as parole boards or release dates and may need psychiatric assistance. It is an expensive service that they would not need if it were not for the actions of others. Yet again, it is the victim who is punished. I hope that when the Government and the commissioner consider victims' financial losses, they consider counselling costs.

The Crookes family have suffered from a system that they think has not served them well. Over the years, they have made useful suggestions through my predecessor and me for reform to increase equality for victims. They include proper consultation and listening exercises with

[Tracey Crouch]

victims rather than tick-box exercises; better training for those involved in offender management and victim liaison so that victims know, for example, that they are entitled to submit statements in advance of parole boards; and a system that makes it apparent to the panel in cases when no victim personal statement is made that it is because the victim has decided not to submit one, rather than because a mistake has been made in the process.

We must gain some sense of justice for victims. Mr Crookes said to me in an e-mail yesterday that

"we miss Russ greatly but as victims his and our human rights are being violated all the time to suit the criminal".

If that is how a family feel at the end of the process, the system has failed, and the Government need to recognise and reform that failure before they let down the family of another murder victim.

3.3 pm

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): I apologise for the hoarseness of my voice, Mr Scott. Hopefully, with the help of a glass of water, I will be able to proceed.

This debate is on support for victims of crime. I want to raise the issue of a group of British victims who have received no material support from their Government—British victims of terrorist attacks overseas. Those victims deserve support from their Government not only on the practical level—travel insurers are usually unwilling to cover the costs associated with death or injury resulting from a terrorist attack—but, more fundamentally, because British citizens remain British citizens wherever they may be, and particularly because of the context of Britain's central role in the fight against global terrorism.

For those reasons, British victims of overseas terrorism deserve the state's support, yet British victims of attacks in Bali, Sharm el Sheikh, Turkey and Mumbai have received no material support from their Government. They have been left to struggle with the costs of repatriation of dead or injured loved ones and the costs imposed by serious injury and disability. That is wrong. Our Government's obligations to citizens do not cease outside our borders, and it is fair to say that Britain's central role in the global fight against terrorism creates added risk for British citizens. The Mumbai attacks are one example. As I am sure that hon. Members are aware, the Mumbai terrorists specifically sought out those with US and British passports. British citizens must not be intimidated out of travelling the world freely by the threat of terrorist attack. We, as a state, and our Government should do everything in our power to minimise the risks associated with terrorism overseas.

The absence of Government support has been deeply frustrating for victims and their families. In the aftermath of attacks in Turkey and Egypt in 2005, survivors and bereaved relatives were initially told to look to the perpetrators of the attack for damages, or to the Government of the country where the attack occurred. Neither of those options is credible. One can imagine the difficulties in trying to receive compensation from the terrorists themselves, and although we have reciprocal agreements with some foreign countries, particularly within the EU, we have no such agreements, or no effective agreements, with many other countries. Egypt, Indonesia, Turkey and India are but a few of those countries, and threats in those countries to British and western tourists are growing.

Since 2005, groups of families have run sustained campaigns to change the situation. The families have worked with Members past and present from all parties to bring the issue to the Government's attention. Those Members include Ian McCartney, the hon. Member for Bournemouth East (Mr Ellwood) and my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell), who as Minister with responsibility for the issue set up the previous Government's humanitarian assistance unit.

After many false starts, the previous Government instituted a victims of overseas terrorism compensation scheme in January 2010. Sections 47 to 54 of the Crime and Security Act 2010 made full provision for the Secretary of State for Justice to introduce the scheme. Compensation would have been payable to all victims of overseas terror attacks occurring from 18 January 2010 onwards. In addition, the previous Government promised one-off, ex gratia payments specifically to survivors of the Bali bombings. Many terror survivors received letters informing them about their compensation signed by the former Justice Secretary, my right hon. Friend the Member for Blackburn (Mr Straw), and the former Cabinet Office Minister, my right hon. Friend the Member for Dulwich and West Norwood. We know that the practical and legal obstacles to a terror compensation scheme can be overcome. It is possible to give British victims of overseas terrorism the support that they deserve.

Of course, with a change of Government, the landscape often changes. After an election, families are forced to go back to square one with a new Government—one cannot complain about that, because that is what happens in a democracy. However, families have had to ask for an explanation of the new Government's position on the statutory scheme and the ex gratia payments to survivors. They were told to wait first until after the comprehensive spending review and then until after the current review of the criminal injuries compensation scheme. As hon. Members will understand, that was a real blow to survivors and families when they felt that their battle had been won.

MPs of all parties have been pushing the Government on this issue. In a recent Adjournment debate initiated by the hon. Member for Brigg and Goole (Andrew Percy), the Minister signalled that the review of the CICS would be completed by the summer recess, and that is welcome news. However, that leaves many unanswered questions, which survivors would like the Minister to address, so let me put them to him. First, what aspects of the overseas terror compensation scheme will be covered by the review? Secondly, will the Government make a decision on the implementation of those clauses of the Crime and Security Act 2010 that relate to this issue? Thirdly, will they make a decision on ex gratia payments to existing terror victims in the course of their review? Fourthly, if they are unwilling to fund compensation, what work are they doing to persuade insurers to extend their coverage to include acts of terror? Finally, what contact have they had with British victims of recent terror attacks in Morocco, Israel and

Russia, who would have been eligible for compensation had the previous Government's legislation been acted on?

I hope that the Minister can throw some light on those and other issues. I know for a fact that the families of British victims of overseas terrorism will be delighted if the Government can push forward on this issue.

3.12 pm

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship, Mr Scott. I congratulate my hon. Friend the Member for St Ives (Andrew George) on securing the debate. He set out the tragic case of his constituent, Claire Oldfield-Hampson, which he has clearly pursued relentlessly over the past 10 years.

I thank my hon. Friend for drawing my attention, and possibly that of other Members, to a number of issues. For example, when the defendant attacks the victim's character or reputation, the victim or their family should have the opportunity to defend it. Defendants should also be made fully aware of the fact that if they accede to a guilty plea, any claims they make against their victims will be open to full and proper scrutiny. My hon. Friend also made a number of points about who can control the estate. All of them are strong points, and I am sure that the Minister will give them detailed consideration when he responds. Incidentally, it is one of the strengths of this Chamber that Members have time to raise such issues in detail, given that the time to do so is often not available to us on the Floor of the House.

I welcome the steps that the Government have taken so far to support victims, such as their proposals to ensure that the victims fund is supported through deductions made from prisoners' earnings while they are working in prison. At the beginning of this year, the Secretary of State also announced funding that organisations such as Victim Support could bid for, and that is very welcome.

I want to raise a couple of cases that are relevant in general terms. They involve victims of crime abroad, although not victims of terrorism, which was the issue raised by the hon. Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont). I understand that this is the responsibility not of the Minister, but of the Foreign and Commonwealth Office, but I hope that he will be able to respond, because the issues are pertinent to victims. There are also issues about whether UK victims of crime abroad could access victim support services here, so these things have a UK bearing.

I shall refer to two cases, which I have raised previously in this Chamber, most recently on 3 November 2010, when the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Taunton Deane (Mr Browne), responded. The first involves Robbie Hughes, who is a British citizen. He was on holiday in Malia, in Crete, when he was allegedly attacked by a group of British tourists, and left severely brain-damaged as a result. The second involves Neil Juwaheer, the son of a constituent, who died in suspicious circumstances in a Brazilian police station. According to the autopsy carried out by the family, he had been bound with cable and had suffered serious injuries, including head injuries. The police allege that he had drugs on him, but the evidence they say they had went missing and suspiciously turned up a number of months, if not years, later. The family have been trying to have DNA tests made on the package of alleged evidence, about which they are very suspicious, to see whether it was ever inside Neil Juwaheer, as the police allege, or whether the police in fact produced it subsequently because they thought they needed evidence to substantiate their allegations about what happened, which seemed to be in direct contrast to the family's autopsy.

I know that at least one other Member is seeking to get into the debate, so I will make just two points. First, the Minister may not be aware that work is going on at European level on victim support systems. The European Justice Commissioner, Viviane Reding, is looking at new laws to require victim support systems in every EU country. This is the sort of thing the hon. Member for Shipley (Philip Davies) might be inclined to intervene on, so before he does, let me just say—he might be surprised to hear this—that I do not support the initiative. I do not think the EU should set EU-wide laws on the victim support systems that should be required in every country. However, the EU may have a role in trying to ensure that other European partners learn from best practice here. As I understand it, victim support in the UK is indeed very good, compared with virtually anything else that is happening in Europe.

The Minister may want to take the issue up with the FCO to see what discussions have taken place on the initiative. It has been pushed by Maggie Hughes, the mother of Robbie, my constituent, and it has received a lot of interest around Europe, including in Germany, where it is likely to feature shortly in a television programme. As a result of Maggie's work, the victims commissioner in this country has looked at the support that could be provided to UK victims of crime abroad, and the FCO website has certainly been improved as a result. I hope the Minister will want to pursue that matter with colleagues.

On the second case, undertakings were made in a previous debate in response to a number of queries that I raised. I asked about the information that can be provided to UK victims of crime abroad, the support that can be given to them and members of their family and the help that can be given to ensure that crimes are properly reported. One of the biggest problems for victims of crime abroad is getting the crime recorded in the first place. If the police abroad are not willing to register the crime, the FCO might need to ensure that it is properly registered. I also mentioned the need to tackle police corruption, as and when it is encountered, and the need for additional support for victims of crime who are seriously injured.

The Government are improving services for those who are killed, which I welcome, but they are not improving them for those who are seriously injured. In the Neil Juwaheer case, the Government could argue that he was, perhaps, a criminal and therefore not entitled to support; but, first, that has never been proven in the eyes of the family and they are pursuing the matter, and, secondly, even if it were true, the family need support, because there is no suggestion that they are involved in any criminal activity and they are UK citizens.

Those are the two points that I leave with the Minister. My hon. Friend the Member for St Ives made some very strong points about support for victims of crime in

[Tom Brake]

the UK. Equally, we heard about victims of terrorism abroad, but the Government could be more proactive in supporting the large group of UK citizens who experience other crimes abroad.

Mr Lee Scott (in the Chair): It is my intention to call the shadow Minister and the Minister to speak at approximately 3.40 pm.

3.20 pm

Mike Weatherley (Hove) (Con): It is a pleasure to serve under your chairmanship, Mr Scott. I thank my hon. Friend the Member for St Ives (Andrew George) for securing this much-needed debate on the support available for victims of crime.

I want to raise two separate points. The first relates to victims of car theft. BBC "South Today" recently contacted me about a constituent of mine who had had his car stolen. When the police informed him that the vehicle had been recovered, he was obviously pleased, and he agreed to the police request to fingerprint the car in an attempt to find the perpetrator. When he had managed to recover his vehicle from the police, one can well imagine his surprise when he, as a victim of crime, was also presented with an £80 parking charge and a release fee of £150. That is not an isolated incident—it is Government policy and has been since 2005. Victims of crime are treated as if they had parked incorrectly or abandoned their vehicles, which have then been towed. In this case, Sussex police responded that it acts in accordance with the law. I am sure that hon. Members agree that such a policy merely adds insult to injury for the victims of crime and needs to be re-evaluated. I ask the Minister to review the guidelines urgently.

My second point is rather longer and relates to issues that have come to my attention in my capacity as chair of the newly formed all-party parliamentary group on retail and business crime. I will focus on victims of crime in a business context, with particular reference to the small business sector, which is disproportionately targeted and for which less support is available. The APPG inaugural meeting on 29 March was attended not only by an impressive number of hon. Members, but by business representatives who sit on the National Business Crime Forum, whose members collectively represent hundreds of thousands of businesses across the UK, and by the press, including representatives from *Crime Reduction Partnership News*, *Retail Newsagent* and *Retail Express*.

At the meeting, we heard that the trade magazine *Retail Newsagent* carries weekly stories about shopkeepers who have been victims of crime, ranging from systematic shoplifting to assault, robbery and murder. Many of us remember the high profile murders last year of convenience retailers for little more than the cash in their tills, cigarettes and candy. Indeed, *Retail Newsagent* reported:

> "It is now true that running a corner shop is statistically more dangerous than joining the police force when it comes to losing one's life in the course of the working day".

The Sentencing Council needs to recognise the vulnerability of shop workers to assaults by establishing clear guidance, which does not exist now, to protect retail workers. Retailers rightly feel that their cases are relegated to the realms of victimless crime by the justice system.

We heard from *Crime Reduction Partnership News* that crime and disorder reduction partnerships incur nominal costs to operate—it can cost £350 a year to gain the necessary professional indemnity and public liability insurance coverage for a village or town. In some cases, towns and villages find it hard to raise that sum, and *Crime Reduction Partnership News* reported that if the Government underwrote CDRPs, as they do neighbourhood watch, it would be a huge help. The challenge would normally be developing appropriate insurance models, but such models already exist for neighbourhood watch. The precedent in underwriting neighbourhood watch schemes can realistically be applied as the model for underwriting CDRPs. It would have a huge impact on levels of crime for a relatively negligible cost, so the Government should look into doing so.

The increasing devolution of power to local authorities carries its own problems. Issues exist with a lack of standardisation from one police authority to another in reporting crime. That has an impact on businesses that work nationally or across several local authorities, and the lack of a joined-up approach manifests itself in a difficulty in meaningfully tackling organised crime. When the Localism Bill is enacted, we will all have to be vigilant to ensure that the unintended consequence in our communities is not that victims see bureaucracy getting in the way of a collaborative approach to bringing organised criminals to justice.

Who is most at risk? A recent Federation of Small Businesses report shows that community-based, convenience retailers are significantly more vulnerable than any other category to high-value robberies, with 41% of the total sector losses, and almost double the value is stolen from them as is stolen from supermarkets. That is unsurprising considering that independent businesses are likely to be open at unsociable hours with fewer staff and fewer sophisticated security measures than supermarkets. A discussion needs to be had with police representatives across the country to build a strategy specifically to address the disparity in vulnerability to crime of large and small businesses and how that disparity can be combated.

One huge concern is the under-reporting of crime. Businesses often fail to report crimes as they feel an inadequate amount is done to justify taking the time to respond. Retailers report that crime is often lost in crime reporting figures and there is little practical recourse to bring criminals to justice.

It is not all bad news though, because there is some support available to victims of crime provided by both the private and the public sectors. In the case of the former, there are instances of industry providing solutions in the spirit of the big society, such as Facewatch. That initiative is designed to help victims of low-level crime and create an online partnership between premises, such as bars and shops, and the police. Using Facewatch, a victim can not only get an instant crime reference number from the premises, but can also call CPP card protection, which will arrange for the cancellation and reissue all of their cards for free, even if they are visitors to the UK, with just one call.

I referred to the reluctance of businesses that have been victims of crime to report it, and that is not just anecdotal. Victim Support, which does tremendous work supporting victims of crime on behalf of the Ministry of Justice, concedes that it has trouble connecting with

victims, and the way in which crime is recorded often lets victims fall through the support net. For example, if a shopkeeper lives above their shop and a crime is committed in the premises below, it is recorded as a business crime, whether or not the retailer has been assaulted, but the premises is also their home, and in any other circumstance the victim's details would be passed to Victim Support to give the appropriate advice and assistance. That is but one concrete example that demonstrates that more needs to be done to bring police representatives, organisations such as Victim Support and business representatives together to discuss how police reporting can change for the better, so that existing resources can be adequately utilised.

Unfortunately, victims of crime have few statutory rights within the criminal justice system, and what rights they have are under threat. Victims of crime have the right to receive a basic level of service from each criminal justice agency under the code of practice for victims of crime. Everything victims are entitled to under the code is pretty basic—the sort of things that one would assume victims would receive automatically from the criminal justice system. Unfortunately, the code is under threat as part of a Ministry of Justice review of support for victims and witnesses. The Government have already removed the duty on local criminal justice boards to report on their compliance with the code, which means that no one is monitoring compliance with it or holding agencies to account where they fail to comply. There is a danger that the Government will downgrade the code or abolish it altogether, which would mean that victims of crime would have no statutory right to receive a decent level of service from the criminal justice system. Abolishing the code would be a serious retrograde step and would turn back the clock on victims' rights.

The issue is not only about how we deal with crime and its victims, but about the perception of crime, which is paramount. It has a huge detrimental effect on the confidence of people who enter or remain in the independent business sector. Following the murders of Gurmail Singh and Jashbhai Patel in Huddersfield last year, a survey of retailers' perceptions of crime by the National Federation of Retail Newsagents gathered some startling results: 51% of respondents stated that they expected crime to increase; a staggering 31% were unsure as to whether their business could even survive the next two to three years; and 57% thought that the police could do more to deter crime. However, the report demonstrated a high level of contact with neighbourhood policing units, which is a positive indication of the big society at work.

I draw attention to the work of Baroness Newlove, the Government's champion for active safer communities, and her report, "Our vision for safe and active communities". She says:

> "The report calls for a change of culture on the part of communities, no longer seeing crime and ASB in their neighbourhoods as 'someone else's problem'; and on the side of services, going beyond simply asking communities what their problems are, to seeing them as equal partners in dealing with them."

My hope for the newly formed all-party group is that it becomes the bridge that fosters the necessary dialogue that business is so desperately calling for. I welcome every colleague present to come along to our next meeting to discuss the experiences in their own constituencies.

Tom Brake: There will be a statement later today about the national crime agency, which will have, among other things, a command that will look at economic crime. What expectations, if any, does the hon. Gentleman have of how that may be able assist the businesses that he is talking about?

Mike Weatherley: Businesses, as I have been explaining, have a real problem with crime, but the justice system does not seem to address that in the same way as it recognises individuals. I look forward to the statement and will review it with interest to see how it can assist.

I will close my remarks with three key questions to the Minister. First, what are the Government's plans to re-evaluate the manifestly unjust policy whereby police treat victims of vehicle theft as if they had been irresponsible in abandoning their cars by charging them parking and release fees? Secondly, what measures do the Government propose to put in place to mitigate the impact of reduced provision of services to victims of crime, with particular reference to Victim Support's recent appeal to the Department for transitional funding to oversee the period of restructuring to ensure that services are not drastically or adversely affected? Thirdly, will the Minister attend and perhaps address an upcoming meeting of the all-party group to discuss how the Government could support victims of crime in non-domestic cases, where support is even more lacking?

3.31 pm

Philip Davies (Shipley) (Con): I begin with an apology to you, Mr Scott, and to the Minister and the shadow Minister, the hon. Member for Stoke-on-Trent South (Robert Flello). I may not be able to stay until the very end of the debate, because I have to meet some constituents. I apologise for that discourtesy. I will keep my remarks brief, because some excellent points have been made. I commend the hon. Member for St Ives (Andrew George) for securing this debate, which deserves as much time as possible, so that the Minister can address the points that have been made.

I want to focus on a few areas that may not have been brought out by the debate so far. One of the main areas that we should surely focus on is how we prevent people from being victims in the first place—how we prevent future victims of crime. Different things are important to victims: prevention from being one in the first place, and if someone is a victim of crime, they want the person responsible to be detected, punished properly for the crime that they have committed and not go on to commit further offences. I am worried that, on most, if not all those issues, the Government are in danger of heading in the wrong direction.

On preventing people from being the victims of crime, one of the things that I am most concerned about is what happens when people are released from prison before the end of their sentence. I might not be present to hear the Minister's closing remarks, but I hope that he will be good enough to tell the Chamber how many people are victims of crimes committed by people let out early from prison before the end of the sentence that was actually handed down. We now know that people are, at the very most, released automatically halfway through their sentence and that some are even let out before that. It would be interesting for the public to know how many crimes are committed by people

[Philip Davies]

who have been released from prison at a time when most people would consider that they should still be in prison serving the full sentence handed down by the court.

It is perfectly reasonable that the police cannot prevent crimes when people who are unknown to them commit them for the first time. It seems, however, that our criminal justice system is creating so many unnecessary victims of crime by releasing people early from their prison sentence, only to see them go on to commit further offences. If we want to stop people being victims of crime, we should focus on that first.

What about the things that people want when they are the victims of the crime? Presumably, the first thing they want is for their crime to be detected by the police. Two of the best tools that the police have for detecting crimes are CCTV and the DNA database. An enormous number of crimes are solved by using CCTV footage, technology and the DNA database.

We have also heard recently that the Government are concerned about preventing victims from having to go through the trauma of giving evidence in court. That was supposedly the genesis of the idea to give people a 50% discount on their sentence if they pleaded guilty early. I say to the Minister that I do not believe that the reason for giving a 50% discount to people who plead guilty early had anything to do with trying to prevent victims from having to give evidence in court. It was simply a way of having fewer people sent to prison or fewer people in prison at any one time. That was the motivation. The view that it was a benefit to victims was a positive bit of spin to put on it.

If we want to prevent victims of crime from having to go through the trauma of giving evidence in court, one would have thought that the Government would be anxious to use the benefits of CCTV and DNA. CCTV gives an unbiased account of what happened for a court to see, devoid of anybody's spin, recollection bias or mistake. Often, when CCTV is viewed by defendants and their solicitors, it leads to a change of plea from not guilty to guilty. That certainly happens when defendants were drunk or on drugs at the time of committing a crime. It not only saves courts time and money, but prevents witnesses from having to go through the trauma and stress of giving evidence in court. The Government, however, appear to be trying to make it as difficult as possible for the police to use CCTV. They are trying to introduce extra regulation for the use of CCTV. If the victim is our top priority, surely the Government will rethink that and make it easier for the police to use CCTV evidence.

CCTV actually prevented Richard Whelan's girlfriend from having to testify against his murderer, Anthony Joseph, who brutally stabbed Richard on a bus while he was attempting to defend his girlfriend. The attack was caught on camera and Joseph was jailed.

DNA is also one of the main ways in which the police can find the perpetrator of a crime, yet the Government are hellbent on taking people off the DNA database, and that will presumably make it harder for crimes to be detected. In fact, there have been 150,000 cases in which a DNA sample has been taken from the crime scene but there has been no match on the DNA database. Obviously, if everybody was on a DNA database, all those crimes would be solved at a stroke. Will the Minister explain why the Government are going out of their way to try to make it as difficult as possible for the police to use such technology to find the perpetrators of crime in the first place? I am sure that victims of crime do not understand it, and neither do I.

What I want to know most of all is why so many repeat offenders are not sent to prison, because that is the one thing that creates more and more victims of crime. Last year, 3,000 burglars and 4,500 violent offenders with 15 or more previous convictions were not sent to prison. If somebody goes before a court with more than 100 previous convictions behind them, they are still likely not to be sent to prison. Those are the things that really irritate the victims of crime.

My final point is about the role of the Crown Prosecution Service. I think that the hon. Member for St Ives touched on the issue—he certainly implied it—of the CPS undercharging people by charging them for a lesser offence that they did not commit, rather than prosecuting them for the more serious crime that they did commit. That is one thing that particularly infuriates victims.

The calibre of the CPS is also an issue, and I will end with a tale of what I think is the most depressing day that I have ever spent, sitting in Bingley magistrates court watching the day's proceedings. I saw CPS lawyers reading cases for the first time—they clearly had not read them beforehand—while the defence solicitor was briefed up to the nines. On one occasion, the CPS lawyer did not have the file in front of him and prosecuted the case from the file handed over to him by the defence solicitor. This is British justice in 2011. We should be ashamed of ourselves. If the victim of that crime had turned up, they would have been horrified to see what was going on. The Government really need to get a grip and put the victim—not the criminal, as happens now—at the heart of the justice system.

3.39 pm

Robert Flello (Stoke-on-Trent South) (Lab): It is a pleasure to serve under your chairmanship for the first time in this Chamber, Mr Scott. I congratulate the hon. Member for St Ives (Andrew George) on securing today's debate on an extremely important issue that has troubled him for more than a decade. Even though it is some 15 years since Claire was murdered, I should like to take the opportunity to express my condolences to her family for the ongoing pain that I am sure still results from her death.

The hon. Gentleman made a number of very good points. Certainly, his concern is not lost that, in circumstances such as those that he described, rather than the scales of justice being blind, they are weighted against the deceased. Indeed, how can it be correct that a murderer remains in all circumstances the next of kin? I find it incredible and horrifying that, where a prima facie case exists, those rights are still in existence and are not suspended. The point made that the criminal justice boards no longer need to file certain reports is also very worrying.

The relevance of today's debate is heightened even more in the light of the Government's review into the criminal injuries compensation scheme and the role of the Criminal Injuries Compensation Authority. In the time available, I should like to bring to the discussion

the issue of financial support for the victims of crime and the wide-ranging financial consequences that a crime can have on victims and victims' families.

The impact of crime affects each person differently and can have various wide-ranging emotional, physical and financial implications. As we have heard, organisations such as Victim Support play a fantastic role in providing victims and witnesses of crime with both practical support and varying forms of emotional support. The valuable support and advice that Victim Support and others provide victims with should not be understated. Victim Support contacts more than 1.5 million victims of crime each year, but it and other voluntary organisations cannot provide the financial support and compensation required to help victims recover from the financial impact that crime can have on them and their families. The effects of crime can take many forms and, as I said, crime impacts on each individual differently. Victims can become isolated and suffer from anxiety, depression and amnesia. They are scarred and can become scared or reluctant to leave the house.

Victims of crime can also find it difficult to take pleasure in activities and social events that they previously enjoyed. That can have a damaging effect on a person's family and social life and can therefore have a harmful effect on their relationships with family and friends. Many victims of crime develop anxiety or depression, which can lead to dependency on alcohol, tobacco or even precipitate drug use. Although crime rates have fallen significantly in recent years, one in five people is still likely to be a victim of a form of crime. Of course, for those people who are victims, the overall decrease in crime does not make their own experience as a victim any less traumatic. Given the wide-ranging emotional and physical impact that crime can have, it is imperative that financial support is provided to cover its direct financial impact—for example, as we have heard, the costs of counselling and other remedies such as emotional support therapy and health costs for any rehabilitation.

The commissioner for victims and witnesses, Louise Casey, recently revealed ahead of the publication of her policy review that families bereaved through murder, manslaughter or culpable road death face costs of an average of around £37,000. That includes costs for trials, legal fees, court proceedings, counselling and loss of earnings. Figures from a specific survey of 36 bereaved families show that legal costs range from between £280 and £150,000, with the majority of families meeting the costs themselves and only one family receiving legal aid. The survey found that the total estimated costs incurred for the 36 families were £1.3 million, which rises to a higher figure if loss of earnings is included. The annual figure of costs incurred is around £37,000 or, indeed, £113,000 if loss of earnings is included. Counselling costs for those surveyed averaged around £2,500, and 35 out of 36 of the families surveyed experienced loss of earnings.

The majority of victims of crime were unable to work, in some cases because of post-traumatic stress disorder. Some people lost their jobs; some had to leave work; and some got unpaid leave from their employer. Bereaved families also have the costs of child care to think about when a parent or guardian is murdered. One example of how a bereaved family can suffer a loss of earnings is provided by the situation of Barry Mizen, whose son Jimmy was tragically attacked and killed in a horrific attack in London, with which all hon. Members will be familiar. Barry Mizen was a self-employed shop owner. He had to shut his shop in the wake of his son's murder and therefore had no money coming in for a substantial period.

Freedom of information requests made by the *Daily Mirror* show that the average amount of compensation received by the families of the 12 people shot by Derrick Bird, the gunman who murdered 12 people in Cumbria, was around £12,250. The figures highlighting the costs incurred by victims and victims' families put into context the financial compensation awarded and shows how it would be, to say the very least, regrettable—indeed, it would be a severe blow to victims—if the Secretary of State for Justice approves cutting the Government's payment awarded to victims and victims' families, as is feared will happen. That would be highly regrettable and, as we have heard, says much about the Government's attitude towards the victims of crime, particularly when they have still not implemented the compensation scheme proposed in the Crime and Security Act 2010, which had cross-party support.

As my hon. Friend the Member for Cumbernauld, Kilsyth and Kirkintilloch East (Gregg McClymont) said, although British victims of terrorist attacks in the UK are eligible for compensation under the criminal injuries compensation scheme, that does not extend to the victims of overseas terror. Hon. Members will also be aware that travel insurers in the vast majority of cases do not pay out to victims of overseas terror attacks. The victims of overseas terrorist attacks are all still to be compensated by the Government—for example, Will Pike who was paralysed in the 2008 Mumbai terrorist attack, the victims of the Bali bombings and the victims of the 2005 Sharm el Sheikh bombings.

It cannot be right that, when the rights of prisoners and criminals appear to be enhanced all the time and the Lord Chancellor constantly has to defend his position, British victims of terrorist atrocities overseas are still waiting for compensation promised to them by the Government. If a terrorist attack should happen somewhere in the world tomorrow—heaven forbid—UK citizens and their families would be ineligible to receive Government compensation. The Government must re-evaluate how they treat victims of crime both here and abroad. If they cut the financial support offered to the victims of crime and do not compensate the victims of terrorist attacks abroad, it will have a devastating effect on the well-being of both victims and victims' families, as well as sending the message that helping the victims of crime is not viewed as important by the Government.

I should like to take a moment to comment on a few of the speeches that have been made so far today. Hon. Members from all parties have made very good contributions. In the few moments remaining, I shall mention the speech of the hon. Member for Shipley (Philip Davies). I find it extremely worrying when I agree with much of what he says. I am not sure whether I find it more worrying than he does—I suspect he finds it more worrying than I do. The use of closed circuit television and the DNA database is extremely important. When we were in government, we were great advocates of those systems, and it is surprising that the Government do not seem to be continuing with that. On the 50% discounted sentence, perhaps sometimes through gritted

[Robert Flello]

teeth the 33% discount is there, but the push to make it 50% seems very strange indeed. Victims will see an extremely worrying trend.

Overall, the Government must finally put the victims of crime at the heart of their justice policy. They cannot prevaricate any longer; they must take action to do so. The rights and well-being of victims and victims' families should always come before those of the criminal. Sadly, that is something we are not seeing and have not seen for a while.

3.48 pm

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I congratulate my hon. Friend the Member for St Ives (Andrew George) on securing this timely debate about the wider topic of support for the victims of crime and the narrow case he raised. He is a doughty champion of his constituents and for a decade he has worked on their behalf on the case he mentioned. We should respect the determination with which he represents his constituents.

I begin by making it absolutely clear that the Government are committed to placing victims and their families at the front and centre of the criminal justice system. I view my remit as the Minister responsible for victims and for the wider issue of offender management through the prism of victims. Let us consider the system changes we are trying to deliver around, for example, work in prisons. What are they for? They are to generate the resources for offenders to compensate their victims and to create more resources to assist the victims of crime. One proposal in the Green Paper is to make it a duty for sentencers to consider a compensation order as the first point of departure in their sentencing. Hon. Members will have to wait until we formally respond to the consultation and introduce the legislation, but I do not see anyone demurring from strengthening that duty. That is the direction of policy—to ensure that victims are our consideration.

The future victims of crime, as my hon. Friend the Member for Shipley (Philip Davies) made clear, are absolutely at the centre of concern. That is why we are advocating a rehabilitation revolution and a complete step change in how offenders are dealt with and managed by our system. If we fail to effectively rehabilitate them while they are in our system, they will go out and reoffend again, and we have to address the dreadful reoffending rates. I suspect that he and I are in the same place on that. The Government face the constraint, of course, of the legacy of the financial position we received from our predecessors.

We are committed to ensuring that criminal justice agencies work to help families through the process of the investigation and trial, and afterwards. We are committed to providing families with a voice in the criminal justice system. We are committed to providing them with the support and the help that they need to deal with the consequences of crime. It is deeply unfortunate that the case raised by my hon. Friend the Member for St Ives was mishandled. I understand the pain that such a traumatic experience can cause for bereaved families, but I accept that as much as I might understand the pain, it is beyond the power of any Government or Minister to repair that trauma. All Governments, however, will want to do their reasonable best to continue to improve the service to victims.

Support to victims and their families has improved dramatically since the case described by my hon. Friend. He referred to the work of Joanne Bryce, which, over a prolonged period, has contributed significantly to that improvement. Many of the things that she identified in association with the case have led to direct improvements, which I will cover if I have time. Constantly improving the system will continue.

During the debate, my hon. Friends made some suggestions that I will want to look at. My hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) suggested that there should be a positive duty to explain the absence of a victim impact statement to the parole board hearing. I undertake to look at that extremely good suggestion.

My hon. Friend the Member for Hove (Mike Weatherley) drew attention to an anomaly concerning retailers who live above their premises, the recording of crime and the sort of support triggered by victim support in cases of assault. We will constantly look at such suggestions, with the objective of improving the system.

I want to be clear to the Chamber that the law is on the side of the victim and the victim's family. In the case of homicide, there are safeguards against the offender benefiting from the crime. Under the rules of forfeiture, any person found guilty of murder is automatically disqualified from inheriting property from their victim. In the case of manslaughter, they are disqualified unless a specific court order is granted in their favour. The bereaved family can make an application to the court to ensure that the killer is not responsible for the administration of the victim's estate, under section 116 of the Senior Courts Act 1981. I understand fully that people who have just suffered such a tragic loss are likely to find the process confusing or complicated. That is one reason why the improvements in support are so important, and why, since October 2009, the Ministry of Justice has supported an advice helpline to provide legal advice to relatives who have been bereaved by homicide, and advice on associated personal and social issues.

Andrew George: That is an encouraging reply. Will the Minister clarify whether those rights were in place at the time of the trial that I referred to today? If so, do victims now get a level of support and advice, through those procedures, to ensure that their rights can be enforced and that the perpetrators of homicide are not entitled to determine the outcome of the estate of victims, as happened in the case I raised today?

Mr Blunt: That is the case. The right to apply to the court is in the Senior Courts Act 1981, so the right was in place. As my hon. Friend pointed out, however, the family were in ignorance of it. In the spirit of constantly trying to improve the service we provide victims, there is now an advice line for bereaved people in such situations to draw their attention to their rights under the law.

Since the mid-1990s, there has been a great deal of work to improve the experience of victims and their families in the criminal justice system. Criminal justice agencies are more victim-focused and more readily able to take account of victims' wishes and needs at every stage of the justice process. The courage of victims in

coming forward to report crime and giving evidence is central to a strong, fair criminal justice system. Coming forward can sometimes be daunting for victims, especially those who are vulnerable or intimidated. It is therefore right that there are protections for victims in the system and that there are services to which they are entitled and safeguards against further victimisation. We are not complacent, however. There is more work to do and I am currently reviewing the support that victims are given at each stage of the process—investigation, prosecution, trial and beyond.

In 2006, the police and the Crown Prosecution Service worked together to introduce witness care units in every police force area in England and Wales. Witness care units are dedicated teams that keep victims and witnesses updated and informed about developments in a case from a suspect being arrested to an offender being sentenced. They provide victims with vital information on bail conditions, court dates and outcomes. In the same year, the code of practice for victims of crime was introduced. It sets out the services that criminal justice agencies must deliver for victims of crime. It specifies how victims should be kept updated, how often the police and other agencies should contact them, and ensures that the criminal justice system as a whole recognises the central role of victims in the delivery of justice.

I am conscious, Mr Scott, that I will not be able to do justice to the debate in the time that I have available. I hope that hon. Members will forgive me.

Other individual agencies have their own initiatives to help to ensure that victims are kept informed and engaged and, above all, kept safe. The police provide bereaved families with specialist support and a single point of contact through nominating a family liaison officer—a specially trained police officer who will explain the criminal justice process to the family, and act as their first point of reference for any questions. I should point out that in 2008-09, the last year for which we have figures, victim satisfaction with the police was 83%.

The CPS has introduced the victim focus scheme for bereaved relatives. Under the scheme, the prosecutor will write to the bereaved family through the family liaison officer, and offer to meet them to explain the role of the CPS, the court process, the charges faced by the defendant and the role of the victim personal statement. If I have time, I will say more about victim personal statements in a moment.

Under the victim focus scheme, prosecutors will meet bereaved families again if a defendant is convicted, in order to answer further questions. Meeting relatives when there has been an acquittal, which can be equally traumatic, is also being piloted.

The National Offender Management Service operates the victim contact scheme. Victims are eligible when an offender is sentenced to 12 months or more in custody for a violent or sexual crime. The scheme makes sure that victims of serious crime are kept informed if there are developments or changes in the offender's sentence, and that they have an opportunity to submit evidence to parole board hearings and request licence conditions.

Throughout the criminal justice process, there is support for victims that did not exist in the 1990s. Criminal justice agencies have embedded consideration for the welfare of victims in their ways of working and in their internal procedures. A good example of how that works across the full range of victim contact with the system is the victim personal statement, which was introduced in 2001. It is the determination of this Administration to ensure that the victim personal statement will count for more than it does now. Governments of either colour will want to continue to improve support to victims of crime.

I am conscious, Mr Scott, that I have not been able to respond as fully as I would like, but there is much more to come from this Administration regarding support for victims of crime, making sure that offenders are the ones who will be held accountable; the burden of dealing with victims of crime will fall more on them. Victims will be receiving appropriate support from the state as well.

Single Payment Scheme

4 pm

Jeremy Lefroy (Stafford) (Con): It is an honour to serve for the first time under your chairmanship, Mr Scott.

I will keep my remarks shorter than normal, because several of my hon. Friends wish to intervene and comment on the subject, which is important. It is a great pleasure to see the Minister, who is such a doughty champion for agriculture.

I am pleased that we have the opportunity today to debate this important subject, which is vital not only to farmers in my constituency and throughout the country but to ensure that food is on the table of every person at an affordable price. Food production has long been taken for granted in this country and elsewhere in the world, at least since the green revolution. Until recently, it has not been the subject of much political debate in Europe, but it is no coincidence that this year President Sarkozy has made food a top priority at the G20, which is particularly appropriate for a Frenchman.

Recent headlines from around the world highlight the importance of food production: "Devastating food shortage said to be looming in Kenya"—all these headlines are from the past week or two—"Tanzanians debate rising food prices", "Drought affects rice production in two central China provinces" and "Regional bank warns Caribbean of impact of rising food prices". At last, we are waking up to the importance of food security, and it is about time, too.

In our own country, according to the Office for National Statistics, the population is expected to reach 65 million by 2018 and 70 million by 2028. With 7 million more people to feed in the UK alone over the next 15 years, we must act now to ensure that we can meet our needs sustainably. We cannot consider our own needs alone. Another 2 billion will be added to the world's population in the next 40 years, yet uncultivated land is perhaps as little as 10% to 12% of what is currently cultivated, leaving little room for manoeuvre. That presents a huge challenge, which will only be met by better yielding crops, irrigation, fertiliser and so on. It also brings opportunities for the UK.

The UK has a competitive advantage in food production. We have a temperate climate, excellent yields, efficient farmers, high standards and a strong food manufacturing industry.

Neil Carmichael (Stroud) (Con): I completely agree with my hon. Friend that we need to focus on food production, which it is appropriate to discuss in the light of reform of the common agricultural policy. We need to focus on our profitability and the production of food, as well as, correctly, on protecting the environment. We have to strike the right balance. Does he agree?

Jeremy Lefroy: I entirely agree with my hon. Friend, and I will come on to that in a moment.

The strong food manufacturing industry is the largest manufacturing sector in the country and a vital customer for our raw materials. My own county of Staffordshire, along with Gloucestershire, Devon and many other counties represented in the Chamber today, views agriculture and food production as a business of the future and not of the past. Whereas other counties have sold off much of their farm estate, Staffordshire has largely retained its own, and continues to invest in it.

I have to declare a local interest, as about half of the county-owned farms—some 50—are in my constituency. They provide a start for the many young people who wish to farm but do not have the land or capital to do so. South Staffordshire college recognises the need for training young people on the land, and I welcome its application to establish a land-based academy at Rodbaston in my constituency, along the lines of the excellent JCB academy for technical subjects in nearby Rocester.

Last year, UK food and non-alcoholic drink exports topped £10 billion for the first time. If ever we needed a reminder of the importance of Ireland to our economy, it lies in the fact that Ireland is our No. 1 customer, followed by France, the Netherlands and Germany. Our recovery depends substantially on export growth, and agriculture is making a strong contribution. We also import £31 billion a year in food and non-alcoholic drinks, leaving plenty of room to increase market share at home. Food is also of increasing importance to the cost of living, in particular for those on low incomes. As with fuel, the more we produce ourselves, the less we depend on sources of supply over which we have no control on price, quantity and, I must say, quality.

Given the apparently rosy outlook for agriculture, why am I concerned about the single payment scheme or direct payments to farmers? Surely agriculture can survive on its own, without support. I have no doubt that it will, eventually, but that day has not yet come.

Julian Sturdy (York Outer) (Con): If my hon. Friend can see a future without subsidy, can he outline how that would happen in a global context? It is one thing for the European Union to withdraw subsidy to agricultural food production, but that can only happen if the rest of the world follows suit. It would be unfair for European farmers to be disadvantaged by an American system that subsidises its farms.

Jeremy Lefroy: My hon. Friend makes an excellent point, and I entirely agree with him. I will come on to how I see the future and how we can eventually get to a stage at which no subsidy is required. However, that day has not yet come. As the National Farmers Union has stated:

"while we are looking forward to the day that farmers no longer need state support, this is unlikely to be within the next few years and it is vital that we maintain and develop the industry now."

Mel Stride (Central Devon) (Con): I congratulate my hon. Friend on securing this important debate. On subsidies, does he agree that hill farmers in particular represent a special case, given their incomes relative to those of lowland farmers? If we are to encourage young people, to whom he has referred, to get involved in farming in such a context, it is important that we do more.

Jeremy Lefroy: I entirely agree. That is a particular concern in my hon. Friend's constituency in Devon. I do not have hill farmers in my constituency—I do not have enough hills—but in nearby Staffordshire Moorlands we do. If I understand the statistics correctly, hill farmers have suffered the greatest decline in income in recent

years—the decline is greater than for any other form of farming. The problem with the single payment applies in particular to smaller farms in the livestock sector. It has been estimated that in 2009 59% of all farms would have been loss-making without their single payment; in the livestock sector the figure was even higher at 87%.

Last week, I had the privilege of attending the Staffordshire county show in my constituency. At the same show, some years ago, I met the Minister for the first time—he kindly came along and showed his support for Staffordshire farmers, as he does for farmers up and down the country, which all of us welcome. Talking to farmers at the show, many of whom have smallish holdings, it was quite clear that without the single payment they would eventually go out of business.

The single payment is essential for the short-term sustainability of agriculture. In the longer term, one might argue that farmers should look to diversify their income so as to reduce and eventually eliminate the need for support, and that that continuing support somehow makes them put off that evil day—or that day. However, no hon. Members who have farmers in their constituency agree with that. Farmers are constantly looking at ways of diversifying their income away from food production. They are taking matters into their own hands, and they do not want to rely on subsidy, in the same way that any other private business man or woman does not.

In any case, the single payment is not simply a subsidy. The payment recognises the vital public functions carried out by farmers: the management of the land in a way that provides an attractive and diverse landscape for those who live in the countryside as well as for visitors; and sustainable production, which meets the highest standards of food safety, traceability and animal welfare.

Roger Williams (Brecon and Radnorshire) (LD): My hon. Friend makes an important point, but does he not agree that the direct single payment is also a buffer against volatile commodity prices? While commodity prices except for milk are reasonably buoyant at the moment, there could come a time when they are in decline, which would be difficult for farmers to sustain.

Jeremy Lefroy: I entirely agree with my hon. Friend. He speaks with vast experience from his own Brecon and Radnorshire constituency which is one of the largest, if not the largest, in England and Wales. I ask the Government to recognise the importance of maintaining direct payments to farmers at the heart of the common agricultural policy after 2013. I recognise the importance of environmental management, but it is vital that the primary need to produce high-quality, safe food is kept firmly in mind. Schemes must be flexible and practical to operate for smaller farmers, as well as large landowners.

Julian Sturdy: I congratulate my hon. Friend on securing this important debate. He has touched on food security, and I agree entirely with him on that. He has said that farming is going through a rosy patch at the moment, and that is certainly so in arable farming, but not in livestock farming. Does he believe that, despite the need for subsidies, certainly in the short term, supermarkets will play a key role in driving up incomes for farmers and how they are dealt with in future?

Jeremy Lefroy: I agree that livestock farmers have been going through a difficult time for many years. Arable farmers, particularly on the eastern side of the country, are seeing better incomes, but that is not so for all farmers. I will address my hon. Friend' comment in a moment.

We must ensure that markets work more efficiently, so that there is less need for support. Increasing demand from Britain and around the world will do much of the heavy lifting in the long term, as it raises prices.

Andrew Griffiths (Burton) (Con): As my hon. Friend's neighbour, I know that Staffordshire farmers appreciate his work to raise their profile and their issues. We have heard about the problems for arable farmers and livestock farmers, but we have not yet mentioned the terrible situation of dairy farmers, which has been an ongoing problem for many years, driven particularly by the supermarkets forcing down the price of milk as a loss leader to tempt people. Does my hon. Friend agree that we desperately need to do something to support our dairy farmers if we are to have a sustainable industry going forward?

Jeremy Lefroy: I entirely agree with my hon. Friend. That is why the Bill that proposes a supermarket ombudsman is welcome, but we need that as soon as possible, because in some parts of the dairy industry, despite recent small improvements in prices, there is a crisis, with people going out of business every week.

Neil Carmichael: Does my hon. Friend agree that it is surprising that only Government Members are here today to support this debate?

Jeremy Lefroy: I thank my hon. Friend, but I will not comment on what he has said. This is an extremely important matter, and I am sure that many hon. Members who would have loved to be here are not in their seats because they are otherwise detained.

I shall conclude, because I know that at least one other hon. Member wants to speak, and I must rightly give him time. The discussions about the future of the CAP after 2013 are critical for Britain. If the outcome is right, British agriculture will thrive and deliver high-quality, fairly priced food to the British people and to the world. There will be increasing employment in rural areas, with increasing exports and a narrowing of the trade gap. We will also ensure our own food security and that of those to whom we are net exporters of cereals, as we are in many years. Essential to getting the CAP right, in my view and that of many others, is the maintenance of direct payment to farmers, which keeps so many of them in business through the ups and downs of farm-gate prices.

4.13 pm

Rory Stewart (Penrith and The Border) (Con): I congratulate my hon. Friend the Member for Stafford (Jeremy Lefroy) on securing this debate and on all his work for farmers in Staffordshire and more generally throughout Britain. I shall speak briefly, and begin by saying that the issue is enormously important, as my hon. Friend has emphasised. Not only does it make all the difference to lifestyles, to communities and to preserving

[Rory Stewart]

farms through price volatility, but it is a good long-term bet in terms of food security.

4.14 pm

Sitting suspended for a Division in the House.

4.28 pm

On resuming—

Rory Stewart: I have little to add to the brilliant exposition by my hon. Friend the Member for Stafford of why single farm payments are so vital to everybody. We see that every day in Cumbria, where such payments are vital for the support of our hill farms; in some areas, about 93% of farms would go bust if they did not receive the single farm payment. The entire agricultural economy depends on those payments and, as my hon. Friend suggested, they stretch into every area including the governance of agricultural colleges. The fight in my constituency is to protect Newton Rigg, our agricultural college, from having its assets stripped in a takeover.

I do not need to emphasise the problems faced by all farmers. There is no need to talk today about the horrors of the Rural Payments Agency, but all strength to the arm of the Minister for the steps that he has taken to sort it out. The system is totally unacceptable and debilitating for so many of our farmers.

Mel Stride: On the RPA, farmers in my constituency constantly complain about bureaucracy and red tape. Does my hon. Friend welcome Richard Macdonald's recent review on cutting red tape and its 200 recommendations, and will he urge the Government—as I will—to take up those recommendations with some vigour?

Rory Stewart: Absolutely. The second area connected with red tape is, of course, the effects of these environmental schemes. Whether we are talking about cross-compliance or stewardship schemes, we exist in a world often of craziness, of indigestible tufts of grass emerging, of self-seeding oak plantations that never self-seed and of floodplains that never flood, because of a lack of local flexibility, so I again congratulate the Minister on pushing for more local flexibility. However, the short point that I wish to make is about our diplomatic initiative.

The really big game in the end is not the red tape; it is ensuring that we get 2013 right, that we team up with the right partners in Europe, that we are there with the Germans, that we understand the French position and that we are winning that diplomatic fight. That will not be done just by the NFU or by the Department for Environment, Food and Rural Affairs; it will be done by the Foreign Office. We must invest in our embassies. We must invest in ensuring that the European countries are not ahead of us in that game—in ensuring that we get the best deal possible for British farmers through diplomatic enterprise in Europe.

Mr William Cash (Stone) (Con): I endorse what I have heard from my hon. Friend the Member for Penrith and The Border (Rory Stewart).I also very much approve of the line that my right hon. Friend the Minister has been taking on agriculture. We must ensure that we get the kind of farming that is needed. I congratulate my hon. Friend the Member for Stafford (Jeremy Lefroy) on his approach to the matter. To add one other note, I want to ask my hon. Friend the Member for Penrith and The Border whether he thinks that it is important that the badger population is kept properly under control, because that is vital in areas such as my own.

Rory Stewart: I thank my hon. Friend for his intervention. It is vital that we deal with tuberculosis. We have just had our first incident in Penrith and The Border—a shocking incident. Much of it seems to be about the movement of cows from areas that are already TB-infected. That infection then can get into the badger population. Any measures, including proper control of badgers, must be taken. TB in our cows is completely unacceptable.

4.32 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I am delighted to speak under your chairmanship for what I think is the first time, Mr Scott, and to have the opportunity to respond to the debate initiated by my hon. Friend the Member for Stafford (Jeremy Lefroy). I am sorry that it has been only a brief and an interrupted debate, because the issues that he and other hon. Friends have raised are central to a huge part of Britain's rural economy. The debate comes at a time when, as my hon. Friend the Member for Stafford said, a range of issues are before us. There is no doubt that there is an emerging global challenge as to how we will feed the world in the future.

The Foresight report produced a few weeks ago by the Government's chief scientist, Sir John Beddington, considered all the challenges and how we can deal with them. It went through the statistics relating to population growth in the UK and the world that my hon. Friend referred to in his excellent speech. We are talking about something approaching a 50% increase in the world's population by 2050. The report identified hunger and environmental degradation as key problems that we face.

Last week, DEFRA published the national ecosystem assessment, which began for the first time a full analysis of the environmental challenges that we face and how that feeds through to our natural capital and ultimately to our ability to exploit that natural capital for the production of food.

For all the reasons that have been given, we should all be able to agree that a do-nothing approach is not an acceptable option. There will be far more people in the world. Many of them will be much wealthier. In the emerging economies, people are demanding better and more extensive diets, often involving more animal protein. Competition for water, energy and land will increase as economies grow. All that is compounded by the impact of climate change. Water will be a particular issue, but some of the projections show that in addition a lot of current global arable land could be taken out of production. When we remember that one third of all the world's arable production land is within 1 metre of sea level, we realise just how little sea levels have to change before we face serious problems.

In the meantime, we already have the price volatility to which a number of hon. Members have referred. I am delighted to say that the French Government have seized on that as a key issue during their presidency of the G20, which, as hon. Members probably know, meets

in a couple of weeks' time. We are wholly behind the French Government in their efforts to find ways of reducing the risks of international food price volatility.

There is no option but to change. Equally, there is no option but for every country to do its bit. For the last 13 years or at least for the first 11 or 12 of them, we had a Government who basically said that British food production did not matter and we could import it all. It is fair to say that in the last year or so, they changed tack, but far too late—a lot of damage had already been done. Our self-sufficiency—the proportion of the food that we consumed that was produced domestically—had fallen by some 10%, which is horrendous. We have moved on from the days when we worried about self-sufficiency in terms of every egg, every apple and every piece of wheat, because trade is so much more important and our modern diet is so much more international. However, the position does mean—my hon. Friend the Member for Stafford referred to the trade deficit and so on—that there is huge potential for our food and farming industries, which after all are part of the same industry, to do a great deal more for our economy.

There are issues to do with research. I am thinking of the development of precision farming for better use of resources, the phrase "sustainable intensification" and the concept of producing more from less. All those things are relevant, but my hon. Friend focused, as I will now, on the single farm payment and CAP reform. There is no doubt that that gives us a great opportunity, but it has to be seen against the background that my hon. Friend and I have described. There are those who advocate a return to the coupled payments that existed until six or seven years ago. Although production needs to increase, I do not believe that turning the clock back and simply linking payments to production is the best way to encourage efficiency, leaving aside the fact that that would be outside the World Trade Organisation agreements.

There might be slight dissent among my hon. Friends and me about the single farm payment. The Government believe that the CAP should provide a framework that enables farmers to raise their competitiveness and produce food, while rewarding them for their role as stewards of the environment. My hon. Friend referred to the single farm payment as doing some of that work in rewarding farmers to care for the environment. He also mentioned a number of other issues. If we look at it in those terms—of course, cross-compliance exists—it is an extremely blunt instrument. It does not focus on any form of outcome. That is why the Government take the view that reward for public goods, whether environmental or otherwise, is better achieved through what is currently pillar 2—the rural development programme for England—rather than being achieved much more bluntly and less effectively through the single farm payment.

The reform that we seek of the CAP must involve a twin-track approach. It must build the competitiveness of the industry—the ability of the industry to respond to the challenges that my hon. Friend and I have described in relation to both domestic production and increased exports—but also reduce its reliance on subsidies over time to ensure that it can better deliver the food and environmental goods that we need. The competitiveness issue is at the heart of our efforts on CAP reform. We want to be able to focus more of our resources on assisting competitiveness, which is why we believe that pillar 2—the rural development programme money—is the more effective way. As a result of the abolition of regional development agencies, we are bringing that money back in-house as of July this year, so that we can focus it more effectively on industry competitiveness.

I need to deal next with what I hope was not behind my hon. Friend's speech but which is clearly a myth in some circles. It is that the Government are somehow calling for the abolition of the single farm payment. We are not, and I cannot over-emphasise the fact. The Government recognise, as my hon. Friend said, that the single farm payment is critical for today's farmers. The figures that he gave were correct, and I would not dream of countering them. However, the background that my hon. Friend sketched out, and to which I have added, provides us with the opportunity to develop a trajectory for beginning to phase out the single farm payment.

The NFU is right to say that farmers cannot live without it today. However, although it is reasonable to say that, over time—I do not mean over the next seven years, but over a longer trajectory—we should be looking at how to phase out that direct form of support against the background of world shortages that will inevitably lead to higher prices. That is how we want to achieve it.

I share entirely my hon. Friend's view that the industry needs to be more highly regarded and to have a higher reputation both here and abroad, not only because of its ability to produce our food but because it is an important part of our economy. Food manufacturing is the biggest sector of our manufacturing industry, and farmers also act as carers and managers of our natural environment, rather than assailants of it, as they were sometimes painted in the past. I emphasise that we are not calling for the scrapping of the single farm payment tomorrow, nor over the next seven years of this CAP period, but we do want genuine and far-sighted reform.

The Commission has published its early proposals. After much discussion and consultation, it will produce regulations later in the year, so we do not yet know what will happen. For the first time 26 member states are now involved, and for the first time the European Parliament is a co-decision maker, so the crystal ball is extremely murky on what will happen. However, I have absolutely no doubt that the single farm payment will be continued. Whether it is a straightforward payment, whether it will include the Commission's proposal for a green element, whether there will be further cost compliance, whether the payment could be construed as simply paying for something that is already being done or whether it will provide real added value for the taxpayer, I do not know.

I turn quickly to some of the other issues raised during the debate. They were all relevant. My hon. Friend the Member for Central Devon (Mel Stride)—I think that it was him—mentioned dairy farming. Only yesterday, we spent an hour and a half in this Chamber debating that subject, so I do not wish to repeat myself other than to emphasise that the Government are fully persuaded of the crisis affecting the dairy industry. There is obviously a limit to what we can do. We cannot force up the price of milk; but as has been said, we shall introduce a supermarket adjudicator as soon as we can.

Hill farming was mentioned by my hon. Friends the Members for Central Devon and for Penrith and The Border (Rory Stewart). The payment is most important

[Mr James Paice]

in those areas. Indeed, it is important to our whole livestock industry. Again, however, we believe that the right way to support it is through the use of pillar 2 payments, as targeted support for the benefits that hill farms provide the nation. Those farms are important to the social structure of rural communities in our uplands, but there are other factors. They store carbon and water in their peat and are marvellous centres of biodiversity, and the ecosystems assessment to which I referred provides us with the tools to recognise that fact.

Finally, on the question of TB, all that I can say is that the Government intend to make a full announcement on the matter before the House rises for the summer recess.

Machine-to-Machine Communication

4.44 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is a pleasure and an honour to serve under your chairmanship, Mr Scott.

I believe I have the privilege of being the first Member to raise the matter of machine-to-machine communication in Parliament. Interestingly, the internet was first mentioned in the House in February 1990 by Emma Nicholson, a Conservative MP. At that time, only 3 million people worldwide had access to the internet, mainly academics and the military, three-quarters of them living in the United States. Twenty-one years later, there are an estimated 2 billion regular internet users, only 13% of whom live in the US and 44% of whom are Asian. Those figures will grow.

The internet has revolutionised our world. Machine-to-machine communication is the next stage in the internet revolution. Having connected people, we shall move on to connecting machines and things.

Rory Stewart (Penrith and The Border) (Con): The hon. Lady speaks of having connected people. May I remind her that 30% of people in this country do not have good access even to a 2 megabit connection? Currently, for only 90% of the time for 95% of people is there decent access to mobile communications. Without infrastructure investment in good fixed and mobile broadband, it will be very difficult to deliver the things that the hon. Lady so rightly mentions.

Chi Onwurah: I thank the hon. Gentleman for his intervention. He is absolutely right. He does well to remind us that although we shall be connecting machines, we have not yet connected everybody. Given the limits that have been set on mobile spectrum availability, he would not want to share it with trillions of devices, as I shall explain.

Machine-to-machine communications enable the internet of things. Ericsson estimates that by 2020, 50 billion things will be connected to the internet. Other analysts put the number of connected devices in the trillions. What will these devices be doing? Some will be doing what they already do; there will BlackBerrys and iPads, but we will also see, for example, lamp-posts with sensors that detect the level of light and save energy by turning themselves off. We will see smart fridges telling our chosen supermarket that more vegetables are needed. We will see water heaters monitoring the water temperature and deciding that it could be a little less hot for a few minutes because we are stuck in traffic and the national grid is overstretched. We may even see cholesterol monitors embedded in our bodies telling the doctor that it is time for another check-up.

As a self-confessed technophile, I see the internet of things helping to take the dull and the difficult out of our lives so that we can get on with what human beings do best—whatever that may be.

Mr Andrew Smith (Oxford East) (Lab): I am grateful to my hon. Friend for giving way, and I commend her for raising this enormously important subject in Parliament for the first time. Does she agree that the development of machine-to-machine communication raises profound questions about security and privacy? Firm and effective

standards on both will be needed if industry and the wider public are to embrace this revolution, which will clearly be of advantage.

Chi Onwurah: I thank my right hon. Friend. He is right that machine-to-machine communication raises a number of important questions about the way we live our lives, which I shall talk about later. We should be aware across Government of what the issues are, so that we give ourselves an advantage in addressing them.

The question today is whether the Government are doing all they can to ensure the UK economy will benefit from this trillion-pound market of the future? Why is spectrum not being made available, as it was recently in the US, so that UK companies can get on with innovating in this hugely important area and ensuring we reap all the rewards? I hope that the Minister will tell us how the Government aim to ensure that the UK benefits from machine-to-machine communication, because we are in danger of being left behind.

In some areas, the UK leads in machine-to-machine communication; it is otherwise known as M2M, which sounds rather like a pop group. Ofcom, my previous employer, has worked hard to ensure that spectrum is available for machine-to-machine communication. M2M can be divided into three broad areas: near field, home and personal, and wide area. I shall describe each in turn.

Near field means near or short-distance communications. Probably the best example is the Oyster card system. Every morning, at Westminster station, I see commuters holding various purses, wallets, gym cards and, occasionally, parts of their body up to the readers. There is no direct contact with the Oyster card. The reader operates it using radio frequency identification—RFID—over very short distances. Oyster saves us the time and trouble of carrying money, queuing and purchasing tickets for every journey. A few months ago, my local transport authority, Nexus, launched the north-east's very own Oyster-type system called Pop. We will all be "Popping" about the north-east without having to wait at ticket machines.

We can increasingly expect to see RFID used in many other applications. Oyster has already been extended to support contactless payments for small purchases. In 2008, the St Louis-based Somark Innovations tested an RFID tattoo on cows to monitor stock movements, and RFID devices are being implanted in salmon, so that we can track how they are responding to changes in the environment.

Exciting innovations are possible in the area. In 2005, Ofcom deliberately chose to make spectrum in the 865-868 MHz range available for RFID applications on a licence-exempt basis. Licence exempt means that companies do not have to pay to use it, which means that small companies can think of exciting new ideas without having to pay out huge amounts to buy spectrum. That is why innovative businesses can try out new applications, and we can expect to see UK companies playing a big part in the RFID revolution. Therefore, when it comes to near-field communications, the UK is good to go.

The next area of machine-to-machine communication is home and personal, which is still over short distances, but more than a few millimetres. It enables personal area networks, which are networks around the human body, as well as home networking.

We all now think that it is a basic human right to be able to browse the internet from the garden thanks to wi-fi. There are other protocols that enable communications between devices in the home and in the office. For example, many of us use Bluetooth headsets, which wirelessly enable us to go hands free. There is also a protocol with the lovely name of ZigBee, which has been developed to enable wireless lamps. Increasingly, it might also be used by our fridge to tell our smart meter how much electricity it is using and whether it would be okay to turn the freezer off for a few milliseconds so that we do not have to bring on another gas power station every time "EastEnders" finishes.

ZigBee, wi-fi and Bluetooth all operate in licence-exempt spectrum. There are challenges in home and personal networking. In some cities, people are finding that the wi-fi is often congested. Interestingly, that is not because there are too many people uploading photos on Facebook. It is caused by people using wi-fi to transmit satellite or cable programming around their home, so that can be a disadvantage of licence-exempt spectrum. Some new application can come along and hoover up all the bandwidth. None the less, in general, we have a home environment with innovative applications competing to improve our lives.

Unfortunately that is not the case for wide area communication, which is everything from down the street to across the world. Mobile broadband, smart meters and the global positioning system are forms of wide area communication. Wide area applications are really where the huge innovative potential is. Smart cities need wide area machine-to-machine communication. I want to live in a world where the traffic lights on the Tyne bridge going into Newcastle can respond to traffic conditions on other bridges in the city so that we avoid gridlock. I would like to know exactly when the Number 10 bus will get to the bottom of Kenton lane.

It would be progress indeed if people with chronic illnesses could lead more independent lives because their condition was constantly monitored, and help was immediately on hand through telemedicine applications. I want a smart national electricity grid, where sensors in turbines on wind farms in the North sea calculate our energy production moment by moment and change the level of usage in homes across the country as a result. That is the obvious big win. Every form of energy production now has big costs and risks associated with it. We have the technical complexity, cost and unpredictability of wind and solar power; the emissions associated with coal and gas power stations and the potential dangers and long-term costs of nuclear power.

We need to ensure that we are using as little energy as possible. Machines use a hell of a lot of energy—whether in industrial processes, all the kettles switching on every time a soap ends, electric cars and transport or the giant server farms around the world that support cloud computing.

By using machine-to-machine communications to reduce the amount of energy being used, we reduce the number of power stations we have to build. To a certain extent, the Department of Energy and Climate Change is aware of that. It acknowledges the importance of smart meters and ultimately of smart energy grids.

[Chi Onwurah]

My concern is that in this area, unlike in the others I have spoken of, we have no suitable licence-exempt spectrum and no well developed plans to bring it about. One reason for that is the very success of mobile telecommunications, which are everywhere—though not so strongly in the constituency of the hon. Member for Penrith and The Border (Rory Stewart). Everyone has a mobile phone; many people have two. Given that, why would we possibly want more wide area communication? Have we not got enough? The answer is no, and I hope that the Minister will be good enough to acknowledge the reason. In fact, I hope that he will acknowledge all my points, but on this one, I specifically expect a response.

The Minister is not a machine. He does not look like a machine. He does not carry out his duties like a machine and he certainly does not communicate like a machine. Why then should he think that machines communicate in the same way as he does? Machines do not get annoyed when there is a busy tone. They do not become upset by congestion, or infuriated by delay.

Putting billions of machines on to mobile networks designed for people is an incredible waste of valuable infrastructure. That is why we need spectrum, which allows machines to communicate with each other. We need some of that spectrum to be licence exempt so that we have innovation.

Will the Minister tell me what assessment he has made of the potential economic benefits of machine-to-machine communications? Does he agree that it is important that there should be licence-exempt spectrum to support them? Does he agree that we urgently need clarity from Ofcom about when spectrum will be made available?

The Minister may say that it is not for the Government or Ofcom to determine the use spectrum should be put to, but for the market. He has said that before in response to questions that I have tabled, but the market cannot determine the use spectrum should be put to if it is not made available.

Rory Stewart: Given the enormous importance of these machine-to-machine communications, surely the hon. Lady agrees that we should not exclude large parts of the country and millions of people from accessing all the incredible benefits that she has listed. Surely, it is about not just making spectrum available to machines but making it available to people in those areas of the country, otherwise we will have real social exclusion.

Chi Onwurah: I thank the hon. Gentleman for that intervention. Once again I agree with him; access to the internet will be an important part of enabling humans to reap the benefits of M2M communications. He is absolutely right that discussion of M2M communications is part of a wider argument about ensuring that the benefits of technology are available to all our citizens.

The Minister may claim that Ofcom should not intervene to support particular technologies but, as I have already suggested, I argue that M2M communication is not one technology but a huge market—in fact, it is a range of markets—and that the purchase of spectrum is a huge barrier to entry by small innovative firms. The Minister may also say that he does not have a stream of people coming to see him to ask for this spectrum, but the small innovative firms that I talk to do not have that kind of access to Departments.

Personal and near-field communications have licence-exempt spectrum in which to innovate, so why is there none for wide range applications? I yield to no one—not even the Minister—in my praise of Ofcom. Under the Communications Act 2002, Ofcom is required to encourage investment and innovation, and specifically to use spectrum for that purpose, so I would like the Minister to tell us and Ofcom about the importance that he places on that requirement to encourage innovation, especially given the cross-party consensus that innovation will help to secure the recovery. Will the requirement to encourage innovation be retained and indeed strengthened in the new communications Bill, which is currently being drafted?

I am sure that the Minister shares my view that M2M communication is a very important area and I look forward to hearing how he will encourage the innovation and the economic benefits that it will bring.

5.1 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I am grateful to you, Mr Scott, for giving me the opportunity to speak. This is the first time that I have served under your chairmanship, and it is a great and significant honour to do so.

I am grateful to the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) for securing this debate. She knows, from remarks that I have made about her before in the House, that I am not surprised that she is the first MP to raise this important issue. She has referred to the last innovative MP, Emma Nicholson, who raised the issue of the internet for the first time in Parliament. I only hope that the career of the hon. Member for Newcastle upon Tyne Central does not follow that of Ms Nicholson and that she does not end up as a member of the Liberal Democrat party. I say that with all due respect to the coalition, of which I am a full and supportive member.

The hon. Member for Newcastle upon Tyne Central is an expert in the House on this issue—she had a distinguished career in Ofcom. I mean it as a compliment when I say that this debate has perhaps been more like a seminar than the type of rambunctious debate that we are used to in this Chamber.

The hon. Lady has discussed machine-to-machine communications, or M2M. As she has rightly said, M2M sounds almost like a pop band, perhaps one that was competing in the Eurovision song contest. We also talk about M2M as "the internet of things". It is an incredibly important subject and in some ways it is the "new new thing", if I can put it that way, of the internet. It is something that people are now starting to talk about. As she elaborated on in her excellent speech, the possibilities of the internet of things are almost limitless, and they will transform how we live our lives. However, as both the right hon. Member for Oxford East (Mr Smith) and my hon. Friend the Member for Penrith and The Border (Rory Stewart) have rightly said, the internet of things will also bring complex social issues that will attract the interest of politicians, notably privacy issues but also other important issues such as social exclusion.

Today the hon. Lady has shown that she has another string to her bow. She managed to secure this debate, and we know how difficult it is to secure a debate in Westminster Hall, let alone a particular timing for a

debate. However, she has secured this debate on M2M on IPV6 world day. For those MPs who do not know what IPV6 is, it is internet protocol version 6. Effectively, sitting behind the internet addresses that we all use is a string of digits, like a telephone number. At the moment, we use internet protocol version 4, or IPV4, and we are about to run out of IPV4 addresses. I do not want anyone to panic about that for a moment, but this autumn the wholesale sale of internet addresses in Europe will come to an end and in the next two years we will experience a shortage. Consequently we need to move to IPV6, which is a longer string of digits.

I held a seminar this morning with key figures in the UK who are involved in this transformation to IPV6. One of them described the transformation to me in a very clear way, by saying that moving from IPV4 to IPV6 in terms of increased capacity is like moving from a golf ball to the sun. We might not need all the capacity that the sun would bring, but we will certainly need significantly greater capacity. Given that IPV4 only has 4.3 billion internet addresses, the increase in capacity in the future will be driven by the internet of things. As the hon. Lady has pointed out, that will include things such as smart homes, smart meters and connected cars. For example, I learned today something that is pretty obvious once you are told it, namely that every new car that is sold has its own internet address, to allow it to communicate with computers. There will also be e-health, smart cities and many other variations of things.

As the hon. Lady indicated, a number of companies have made predictions about the number of internet addresses that we are going to need. Ericsson has said that we will need 50 billion internet addresses by 2020 to cope with the internet of things. Some people talk about trillions of devices or connections. The debate is very fast-moving, and nobody can be certain what will happen. To be frank, predictions are fairly pointless, except to say that we will need a lot more internet addresses.

I want to use the opportunity that this debate provides briefly to speak out to those watching, particularly companies and businesses, and ask them to start preparing their websites and information systems for IPV6. Although that change is not an immediate issue for them, they will need to be on top of it in the next few years. In fact, the slogan that I came up with this morning, which I thought was rather neat, was, "Don't panic, but do start to prepare".

The hon. Lady has asked me whether I have estimated the economic value of the internet of things. I have not done so, and as far as I am aware Ofcom has not done so either. However, as one might imagine, various estimates are knocking about. Some people have estimated that the value of the internet of things is about €200 billion a year. Again, however, I say with some caution—given that we are, as it were, in the "known unknown" territory—that it is impossible to put a realistic value on the internet of things. As she has indicated, however, virtually any device that business or consumers use will be internet-enabled in the coming years. For example, the most immediate example that right hon. and hon. Members will probably be aware of is the idea of smart metering, which the hon. Lady has discussed at length. Other examples include radio frequency identification, which relates to the near-field issues that she has discussed.

The thrust of the hon. Lady's speech was about whether or not we should make spectrum available, particularly for entrepreneurs to take advantage of the growing internet of things. My hon. Friend the Member for Penrith and The Border has rightly reminded us of the need to set in place proper infrastructure for the internet of people. Both the hon. Lady and my hon. Friend will be fully aware of the Government's plans to support broadband roll-out and that we have set aside about £500 million for that programme. Our objective is to bring superfast broadband to 90% of homes and businesses, and a minimum of 2 megabits per second broadband to all other premises, by the end of 2015. My hon. Friend is also making firm representations about the forthcoming spectrum auction and the need to increase coverage in that respect. As the hon. Lady has indicated, wireless will also be an important part of M2M communications, and, as she knows, we are well on track to get that spectrum auction up and running at the beginning of next year.

As the hon. Lady has said, spectrum is absolutely vital for the future of the internet of things, and it is incredibly important that we make as much spectrum available as possible. As I am sure that she knows, we have committed to releasing a significant amount of public spectrum to the private sector. In March, just after the Budget, we published our detailed plans to release 500 MHz of public sector spectrum below 5 GHz by 2020. That will be a complex task, bringing together a number of Departments. We must also ensure that the spectrum that we make available is internationally compatible and that we make it available with the minimum of disruption to the public sector, be it transport, security or defence.

As the hon. Lady has predicted, although I believe that much of this spectrum will be suitable for M2M communications, it is not for me, nor indeed, in my view, for Ofcom, to decide how best to use both the spectrum and the infrastructure available to meet the demands for communications. That is for the market to decide. She is right to point out that the United States is making advances in this area, but I think that we are keeping pace.

The hon. Lady is well aware of the duties of Ofcom and of its light-touch approach to regulation, and those duties include encouraging investment and innovation in relevant markets. In addition, the European Union's radio spectrum policy programme, which we debated at the Telecoms Council last week and which is currently generally under discussion, also includes the principle of promoting innovation in telecoms. Ofcom is the independent regulator charged with managing spectrum in the UK, using licences when users want rights and unlicensed spectrum when rights are not needed. The use of wi-fi is a very good example of successful unlicensed spectrum use.

The hon. Lady made it very clear in her speech that Ofcom has made spectrum available for M2M use, such as that which allows intelligent transport systems to operate without licence in a European harmonised band, aiding the development of those systems. Ofcom is also considering whether the 872-+876 MHz spectrum paired with the 917-921 MHz one might be suitable for M2M communications, and it is working with the European Commission and European regulators to see whether such services could operate without interference to adjacent

[Mr Edward Vaizey]

bands. We also have, of course, the so-called white space spectrum, which might be suitable for machine-to-machine communication.

Ofcom frequently consults on spectrum matters. I absolutely take the hon. Lady's point that a lot of the small entrepreneurial businesses that could make use of this spectrum are not necessarily in a position to lobby Ofcom, but I assure her that there are many organisations out there that bring their thoughts about spectrum availability and how it can be used to the table. I hope that this debate will also highlight the fact that this is a very live issue and that it is perfectly possible to contact me or the hon. Lady, or indeed Ofcom, to make points. In my experience as a Minister, small and entrepreneurial businesses are often the ones that come forward with radical and interesting thoughts, so I encourage businesses engaged in this issue to make their views known not only to me but to Ofcom.

It is absolutely right that we should be ahead of the curve, aware of what is coming and looking beyond the horizon regarding how this spectrum could be used, but as well as first-mover advantage there is potentially first-mover disadvantage with spectrum. We, as the United Kingdom, have to align ourselves with our European partners, and being the first to make a band available for unlicensed spectrum use could end up being costly, if decisions are then made to harmonise different bands. I do not want to give the hon. Lady the impression that we are complacent; we are absolutely not—this is a very live issue. I do not, however, want to be in the position of rushing forward with decisions that we later regret. Our planned release in 2020 of the 500 MHz is a very good example of that, because we are pushing ahead our plans but are very conscious of the fact that we have to keep in step with our European partners, while at the same time pushing European member states to move on spectrum decisions.

I am confident that Ofcom's approach to innovation and to spectrum management will continue to take account of its duties and will be both proportional and appropriate. It is important to recognise that machine-to-machine—

5.14 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 9 June 2011

[PHILIP DAVIES *in the Chair*]

BACKBENCH BUSINESS

Apprenticeships (Small Businesses)

Motion made, and Question proposed, That the sitting be now adjourned.—*(James Duddridge.)*

2.30 pm

Richard Graham (Gloucester) (Con): It is a pleasure to be here under your chairmanship for the first time, Mr Davies.

I am delighted that my hon. Friend the Minister has been able to find time at short notice to join us for this debate on a subject that lies at the heart of two of the greatest challenges for the coalition Government: first, how to increase growth in our economy and, secondly, how to reduce unemployment and, in particular, youth unemployment. Today's debate on the take-up of apprenticeships by small businesses is therefore critical. During the next few minutes, I will lay out the structure of the debate in which I hope that as many hon. Members as are here today—there are many—will participate.

First, I intend to touch on the present Government's approach to apprenticeships in general. Secondly, I will consider how successful that has been overall in the first year of the new coalition Government. Thirdly, I will examine the relative take-up of apprenticeships by large, medium-sized and small businesses. I hope that in today's debate we will all focus to a large extent on businesses that are often described as micro-businesses—those employing 12 people or fewer. Of course, it is relevant that all of us in Parliament are in effect small businesses ourselves, employing typically between three and five people. I will come on to that aspect of the issue towards the end of my speech. Thereafter, I want to consider the obstacles to small businesses in taking up apprenticeships, how we might overcome them, what the challenges to overcoming them will be and what aspects of Government policy would help the process. Finally, I will bring all that together in specific recommendations.

The first question is the present Government's approach to apprenticeships. The Government's announcement immediately after the election last year that they would provide 50,000 additional apprenticeships, followed up later by a further 75,000, making a total of 150,000 new apprenticeships, was warmly welcomed by all of us who want to see business growth. That announcement sent a powerful message, especially to our manufacturing sectors, that this Government are determined not only to talk about rebalancing the economy, but to deliver by doing something practical to help that to come about.

Of course, apprenticeships today are not only about manufacturing. They are not the cliché of, on the one hand, hairdressing for women and, on the other hand, blokes in dirty overalls. They are about a much wider selection of opportunities. One of the things that I hope will come out of today's debate is the breadth of opportunity—the breadth of training providers and sectors that offer apprenticeships. All my hon. Friends are seeing that in their own constituencies and of course have the possibility of taking on apprentices themselves.

There was a firm commitment right at the beginning of this Government to providing significant funding —hundreds of millions of pounds—for additional apprenticeships. That has been widened further. There have been significant efforts, led by the Minister, who has been a champion of vocational employment— [HON. MEMBERS: "Hear, hear!"] That has been warmly welcomed, as you can tell by the response from everyone here, Mr Davies.

Let me run through some of the detailed figures. Nationally, there are many more apprenticeships now than there were in previous years. Locally, as far as Gloucestershire and my own constituency of Gloucester are concerned, we have seen a significant take-up of apprenticeships; there were about 30% more apprenticeships in 2010 than there were in 2008. The general picture is therefore very encouraging. Of course, that is complemented by Government programmes to create, for example, 100,000 work experience placements and additional commitments to help 10,000 vulnerable young people, which I am sure all of us welcome.

Julian Smith (Skipton and Ripon) (Con): I pay tribute to my hon. Friend for securing the debate. Does he agree that in addition to the number of apprenticeships increasing, the type of apprenticeships available has shifted under the present Government? The previous Government left thousands and thousands of people in the classroom; the present Government are committed to the provision of work-based apprenticeships. Does my hon. Friend agree that that is much better for young and older people who are undertaking an apprenticeship?

Richard Graham: My hon. Friend is absolutely right in what he says, although at some point in the debate we should touch on the removal from employers offering apprenticeships of the freedom to have the training element provided in the workplace. The new rules require 30% of the time to be spent away from the workplace, which for some employers is not necessarily practical. My hon. Friend and others may wish to comment on that as the debate continues.

The National Apprenticeship Service has provided the key facts. There are now more than 85,000 employers nationally offering apprenticeships in more than 130,000 locations, with almost 200 frameworks. That is highly encouraging. The statistics about employers who take on apprentices finding that it is a worthwhile thing to do are even more encouraging, with 80% agreeing that apprentices make their workplace more productive, which of course is ultimately the test in terms of the business growth element of the equation. Some 83% of employers who employ apprentices rely on those apprenticeship programmes to provide the skilled workers whom they need for the future.

The question for this debate is whether the take-up of apprenticeships by small businesses is quite so encouraging. I do not have the range of national statistics to argue the case as strongly as I would like to today, but I am sure that the Minister will share with us some of the Department's research. I know that the Federation of

[Richard Graham]

Small Businesses has estimated that take-up by small businesses is only 8%. Anecdotally, in my own constituency and my own county, it is true that it is much harder to persuade a small business with fewer than 12 employees to take on an apprentice than it is to persuade, say, a company with 100 employees.

James Morris (Halesowen and Rowley Regis) (Con): My hon. Friend is making a very important point. One of the things that I have been trying to do in Halesowen in my constituency is to work with the further education college to develop specific engagement programmes for small business to overcome the barrier that my hon. Friend has correctly identified. I still see a very important role for FE colleges in reaching out to the small business community in local areas.

Richard Graham: Yes. My hon. Friend is absolutely right to say that FE colleges have a critical role to play, as do some of the smaller, specialist training providers. A question for us all to consider—I am sure that my hon. Friend has done this in his own constituency—is the extent to which courses offered by further education colleges can be effectively tailored to the requirements of small businesses. Quite often, some of the courses—this is where the questions of the framework structure and the sector skills bodies come in—are fairly specific and technical, and small businesses often require an apprentice to take elements of a business administration course, elements of a marketing course and elements of other courses. So there is a question about whether there is an adequate structure of training to cater for small businesses, but I absolutely agree with my hon. Friend that further education colleges have a crucial role to play.

Moving away from apprenticeships in general and their take-up nationally, and coming on to the small businesses sector specifically, I believe that there are just less than 5 million small businesses in the UK, of which more than 3.5 million have sole proprietors. An astonishing statistic is that 97% of UK companies employ fewer than 20 people, and 95% of them employ fewer than five people. That shows us that one of the key drivers in all our constituency economies is the extent to which small companies that employ fewer than five people feel able to take on an additional person.

Justin Tomlinson (North Swindon) (Con): As a former small business owner myself, I recognise the challenges. For nine years, I wanted to get an apprentice, but I did not understand how to do so. The Government can play a proactive role in providing information to explain just how easy it is to recruit an apprentice. My suggestion, which I have raised on a number of occasions, is doing it through the annual business rates bill. All the information can be provided at a relatively low cost.

Richard Graham: That is an interesting suggestion, and one that I am sure the Minister will want to respond to in due course. The idea of using the annual business rates bill as an opportunity to explain how simple it is to take on apprenticeships would, I think, be widely appreciated. My hon. Friend the Member for North Swindon (Justin Tomlinson) is right, and I was just about to come on to the question of education and information. There is undoubtedly a gap that needs to be filled.

Esther McVey (Wirral West) (Con): I want to add some personal knowledge as someone who has had an apprentice since last October and as the owner of a small business. It is the cost that concerns small businesses. What can the Government do to incentivise them to take on apprentices? We need to look at the cost to employ one and the payroll costs.

Richard Graham: My hon. Friend is absolutely right to raise those points. The incentives—the carrots—to encourage more small businesses are a crucial part of the argument, which I will come on to. May I take the opportunity to congratulate her? She has helped a number of us to take on our own apprentices, demonstrating the local and national leadership that she is renowned for in her constituency.

Chris White (Warwick and Leamington) (Con) *rose—*

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes) *rose—*

Richard Graham: I will give way in a moment, if I may. It is interesting that so many hon. Members from the coalition side of the House are here today. They are firmly focused on the importance of apprenticeships, are leading by example and have their own experience as small business men and women. It is disappointing to see the complete absence of any representation from the Opposition, apart from the shadow Minister, the hon. Member for Blackpool South (Mr Marsden).

Chris White: I recently met the Warwick and Leamington branch of the Federation of Small Businesses. Skills were an important issue that was touched on, but the issue that caused most concern was the lack of information. Although I am sure that my hon. Friend agrees that it would be good to have extra funding, the Government can do more to promote the apprenticeship training agencies, as proposed by the FSB, so that businesses can be more aware of the help that they could receive and the benefits for both themselves and the community at large.

Richard Graham: My hon. Friend is absolutely right. The situation in his part of Warwickshire is not dissimilar to that in my own neighbouring county of Gloucestershire. The small businesses in the world of the bear and ragged staff have similar issues, which we will certainly come on to.

Mr Hayes: I would not normally interrupt my hon. Friend's peroration, but he made a comment about the number of colleagues across the House who are taking on apprentices. Does he agree that it may be appropriate to hold some kind of reception when we feel that we have reached a critical number, so that we can celebrate that, use it as a way of advertising the apprenticeship brand and send out a message that we are leading, as he has described, by example?

Richard Graham: I am grateful for the Minister's remarks. He has brilliantly anticipated the climax of my speech, which was to come a few minutes down the line. The part of my speech that he may not necessarily have anticipated, or will necessarily appreciate, is about the funding of the great celebration that I have in mind,

which he has so kindly already agreed to host. He is quite right to mention our own involvement in apprenticeships. I will come round to that, because a number of hon. Members present will want to make their own points and contribute with their own work in the field.

Returning to the question of small businesses and their contribution to both our local economies and collectively the national economy, I mentioned earlier small businesses that employ fewer than five people and their contribution to the UK economy. Small and medium-sized enterprises account for, astonishingly, almost 99% of all enterprises and almost half the country's private sector turnover. Therefore, the essential argument that I want to start with today is that we cannot underestimate the extent to which small businesses will be the drivers of growth—or of stagnation, should the economy falter, which we all fervently hope it will not, and believe it will not. The question that we have to debate is how we can stimulate, encourage and exhort small businesses to think that taking on an apprentice is the right way forward.

Dr Julian Huppert (Cambridge) (LD): Will my hon. Friend give way?

Richard Graham: I will give way with pleasure to my hon. Friend the Member for Cambridge (Dr Huppert), now with his royal duke.

Dr Huppert: I am afraid that the duke is not able to be here for various reasons. Does my hon. Friend agree that small companies now, particularly within the rapid growth sectors, such as many of the high-tech industries in my constituency, are the bigger companies of the future? Is he aware that many small companies in my constituency, which receive support from the excellent Cambridge Regional college, say that their biggest problem is not about finding excellent scientists and people to work at that level, but about finding technicians who can do things? Is he also aware that a good apprenticeship scheme at a high level is exactly what small businesses need to grow and become the large companies of the future?

Richard Graham: My hon. Friend is, as so often, exactly on the money with his observations about small businesses. It is quite true—the cliché of acorns growing into oak trees is exactly what businesses are all about. He and I, and others here today, can give strong examples of businesses that started with virtually nothing and no one and have grown into great economic successes for our country. To use one illustration from my constituency, we have a successful hairdressing business that has now expanded into other constituencies in Gloucestershire, and which I believe is advancing on Worcestershire as well. Blushes is now a company with a multi-million pound turnover and multiple sites, and it is driven by the recruitment and mentoring of successful apprentices. Small businesses are undoubtedly, as I am sure all hon. Members present will agree, the foundations of tomorrow's businesses. The purpose of taking on apprentices for small businesses is precisely to help businesses achieve growth.

Dr Huppert: My hon. Friend's acorn-to-oak-tree analogy was so good that I should highlight that one of the companies that I was thinking of was Acorn, which was a company set up in Cambridge. It grew not into an oak tree, but into ARM, which is a massive designer of computer chips. There are now more ARM chips in the world than human arms, and it is a huge success, growing from a small, garage-type company into a FTSE 100 company that is transforming the world.

Richard Graham: There can be no better illustration of the acorn-to-oak analogy than the one given by my hon. Friend. We all agree that small businesses are the future, that large businesses dominate the opportunity for growth in the private sector and that that is an area on which we should therefore all focus.

The Federation of Small Businesses data show that only 8% of small businesses have taken on an apprentice in the past year, and that is an area on which we need to focus.

Mark Pawsey (Rugby) (Con): Like my hon. Friend the Member for North Swindon (Justin Tomlinson), I ran a small business for 25 years. At no stage during that time did it even cross my mind to take on an apprentice; we just had this notion of bureaucracy and cost. The critical thing is to get the message out to the 92% of businesses that have not taken on an apprentice and to pass on the information from the 8% that have done so successfully. That is the Government's biggest challenge. Those businesses that have taken on an apprentice recognise the great value of doing so.

Richard Graham: My hon. Friend is absolutely right. He, too, has brilliantly anticipated some of the themes that I want to bring up. He is right to focus on two key elements, one of which is administration and the second of which is cost, which also brings in the crucial factor of value. Let us delve deeper into the question of bureaucracy or administration. There are perceptions out there that taking on an apprentice is a time-consuming business; those of us who have done so know that it is not.

Stephen Lloyd (Eastbourne) (LD): I commend my hon. Friend for his tremendous generosity in giving way so often. It shows the passion and support that there is in the Chamber for this debate. I also congratulate him on calling the debate.

Before I ask my question, I thought that I would give my hon. Friend some good news. Many of us are making a real difference in the area of apprenticeships within our own constituencies. Two weeks ago, with the support of the NAS, I launched an Eastbourne initiative to recruit 100 apprenticeships in 100 days. That was 17 days ago. I got a call yesterday from the training providers to say that we have hit 103. I am now going back to Eastbourne to say that I want 200 apprentices in 100 days. That demonstrates the real hunger that is out there for apprentices from both small and large businesses.

My hon. Friend used to be a colleague of mine on the Work and Pensions Committee until he was promoted to grander things. He will know that the Work programme, which was launched by the Department for Work and Pensions, is an enormous, costly and laudable effort to help people into work, but it appears somewhat disconnected from the Department for Business, Innovation

[Stephen Lloyd]

and Skills, which runs the excellent apprenticeship programme. Does my hon. Friend agree that it would make sense for both programmes to link up, so that we can improve job opportunities for everyone?

Philip Davies (in the Chair): Order. May I advise Members that interventions should be brief?

Richard Graham: I am grateful for your remarks, Mr Davies, not least because my capacity to absorb all the points at such rapid fire is limited. My hon. Friend has rightly congratulated his local paper in Eastbourne for promoting the "100 apprentices in 100 days" campaign, which was first started in my own constituency by Gloucestershire Media. The citizen who originally launched the scheme in 2010 is now involved in a second one, which is similar to the one that my hon. Friend mentioned. The third scheme, which is not time-capped, involves 100 apprentices being taken on by companies that have never taken on apprentices before. Other Members, including my hon. Friend the Member for Worcester (Mr Walker), who have had similar successes may wish to comment on other such schemes.

Mr Robin Walker (Worcester) (Con): I congratulate *Worcester News* on its "100 apprentices in 100 days" campaign and volunteer to sign up one of the apprentices, because all hon. Members should play a role in supporting such positive campaigns. Does my hon. Friend believe that the media has an important role in promoting the breadth of apprentices, and does he think that we should urge other hon. Members to use the media in promoting the jobs that are available for apprenticeships?

Richard Graham: My hon. Friend and near neighbour is absolutely right to congratulate the media in Worcester for taking forward the scheme. I congratulate him on making his commitment to take on an apprentice himself. When I outline the target that I have set for Members of Parliament, the Minister should note that we may be able to achieve it in fewer than 100 days, but I will deal with that towards the end of my speech.

My hon. Friend is right to say that the media has an important role to play. I should also stress that local radio can be extremely helpful, too. About six months ago, I held the Gloucestershire apprenticeships fair, jointly with the NAS, which is admirably represented in Gloucestershire by my friend Gina Johnson whom I was hoping to see here today. We had terrific support from Gloucestershire Media, which is something that could be replicated in Worcester, Eastbourne and elsewhere, and from Radio Gloucestershire. I strongly recommend my colleagues in the House to organise an annual apprenticeship fair; the national apprenticeship week is in February, which would be quite a good time to do so if they want to tie it in with national themes.

My hon. Friend the Member for Eastbourne also mentioned the co-operation between DWP and BIS. That is an inter-departmental question on which I will leave the Minister to comment in due course.

Julian Smith: Inter-departmental issues are coming up in the Government's review of employment law at the moment. May I ask my hon. Friend to urge the Minister to ensure that all Departments focus on how we can create jobs and take on people, whether through apprenticeships or full-time employment?

Richard Graham: I am grateful for that intervention, and I am sure that the Minister will have noted that point and will come back on it in due course.

Developing the themes of our debate today, we now have to consider the obstacles that small businesses face in taking on apprentices. I have touched on the two key areas of bureaucracy and cost. On bureaucracy, the challenge for those of us who want to promote apprenticeships is that there are so many different ways of taking on apprentices. For example, it is generally the case that the training costs for 16 to 18-year-olds are entirely funded by the Government and those for 19 to 24-year-olds are half-funded by the Government. Members will find in their own constituencies that we have training providers who will provide certain training courses for 19 to 24-year-olds entirely free of charge. On the one hand, that gives the 19 to 24-year-olds a competitive advantage, and on the other, it offers to small businesses the opportunity to take on a slightly more experienced individual at a lower cost than might be the case normally.

Jim Shannon (Strangford) (DUP) The hon. Gentleman mentioned two schemes—I think that one of them was for 16 to 24-year-olds and that the other was for 24 to 27-year-olds—but some people lose their jobs and have to retrain. Does he not think that opportunities should be given to those who want to diversify into other jobs? Should they not be given apprenticeships as well, even if they are past those ages?

Richard Graham: The hon. Gentleman raises an interesting point about the ways in which we can get people back into work. The Work programme is starting this week. I am sure that he is already in touch with both the contractors and sub-contractors in his own constituency. Working closely with those who are rolling out the Work programme offers the best chances of getting older people back into the workplace. What we are really talking about today is apprenticeships that are focused specifically on the 16-to-24 age group. I acknowledge the hon. Gentleman's general point, but I think that it ranges wider than today's debate, although the Minister might want to comment on that.

I will return to the obstacles for small businesses and quote from the NAS in Gloucestershire, which works with hundreds of SMEs on a daily basis. We know that the definition of an SME can include businesses that, on a constituency basis, are really quite large. Companies employing 250 employees are big employers as far as I am concerned, but they are categorised as SMEs. One of the challenges for the NAS, which is resourced by one representative per county, is to engage with the small businesses that we are discussing today, which would technically be called micro-businesses. I do not use the term "micro" because I do not think that companies enjoy being called "micro"—they do not relate to that word. We are talking today predominantly about companies with fewer than 12 employees.

The NAS in Gloucestershire has spoken to more than 15,000 small businesses in the past five months. That is an astonishing achievement, and I pay tribute to its hard work in spreading its tentacles so widely among

small businesses in our county. Its experience has shown that it has been able to spread the word about apprenticeships and their role.

As hon. Members have said, the role of the media and further education colleges has also been critical in spreading the word, but it can be very difficult to reach businesses of the size that we are discussing today. Many people

"simply don't have the time to come out of their businesses"

to attend events. Such companies—often one man, one woman or a family working together—do not have the sort of people who typically sit on the committees of their local Federation of Small Businesses. We are fortunate if we can persuade them to come to an event, a lunch or a supper to discuss topical issues.

There are some breakfast clubs for very small businesses—I have certainly been to them, as have other hon. Members. They are quite good at doing business-to-business with each other, but the process of filling in forms, searching on websites, discussing with training providers and working out whether to go to the further education college or a more specialist training provider is quite time-consuming for people who are dealing with customers minute by minute in their shops.

To try to ensure that very small businesses get the opportunities to incorporate apprenticeships into their companies, the Department and the NAS are therefore supporting projects among group training associations and apprenticeship training agencies. In response to a letter that I wrote him, the Minister highlighted that

"recently, Group Training Association and Apprenticeship Training Agency models have been proving successful in making it easier for small business to take on apprentices."

I hope that the Minister will share some examples of those successes with us, whether they are geographical or sectoral, and share with us how we can help him to promote GTA and ATA models in our own constituencies, as a way of helping small businesses to overcome the apparent obstacle of administration.

It is true, for example, that the South West Apprenticeship Company in my own constituency is able to provide the legal ownership of apprentices taken on by small businesses should there be future employment law concerns with an apprentice who has not worked out. Many of us will know that the business of finding the right apprentice is the single most important thing and often a very hard thing for a small company to do. As far as employment law is concerned, ownership of the apprenticeship is with the training provider, which can be enormously helpful to small businesses.

The next stage covers what sort of carrots might be offered to very small businesses as part of the incentive to take on an apprentice. I start from the presumption that if we were all able to persuade half the small companies in our constituencies to take on one apprentice each, we would have solved the youth unemployment problem in this country by that step alone. The opportunity, if we were able to seize it, would be enormous. The goal would be considerable, so how can we get closer to achieving it? We could consider two or three things, the first of which is to provide a financial incentive. In March 2010, there was an apprenticeship grant for employer scheme—AGE—which gave a straightforward cash amount of £2,500 to employers taking on their first apprentice. As a result of that incentive, which was offered for a limited period of three months, 5,000 unemployed 16 to 17-year-olds were taken on during that time.

It is right to ask ourselves whether that incentive was entirely motivated by a long-term solution for youth unemployment or by a short-term concern to keep teenagers off the unemployment statistics in the run-up to a general election. It is also right to ask whether cash incentives for taking on a first apprentice, without necessarily a time commitment on how long that apprentice will work, will always generate good long-term results, or whether that is a very short-term way to enhance small business profitability without necessarily leading on to career opportunities for 16 to 17-year-olds, but it is something on which perhaps the Minister might comment today.

A slightly different thought offered to me by the chairman of the FSB in Gloucester was to look at ways to subsidise apprentices over a three-year period. For example, when a company takes on an apprentice for the first time, a percentage of the amount paid by the employer could be reimbursed by the Government at the end of the first year. A smaller amount would be reimbursed in the second year, and in the third year all the cost would be absorbed by the company. That is a slightly different and more interesting model to look at, were the Government able to offer financial compensation for some of the employment costs of taking on new apprentices for small businesses.

Other ways to help small businesses to take on apprentices could be considered. One of them could be to rationalise the training costs for 18 to 24-year-olds as well as 16 to 18-year-olds. The Government have previously differentiated between the two age groups on the basis that getting people started is the most important thing and that, by the time people are 19 to 24, they should have more experience and more maturity to offer employers. But we know that that is not always the case. Some 19-year-olds and older people might still need considerable investment of time and effort by very small businesses to bring them to a stage where they can contribute to the growth of that company. The cost of that investment in time is as important to the smallest companies as the financial cost of paying apprentices for however many hours a week they are employed.

Esther McVey: I totally agree. If there is one thing that small companies have told me about the hurdles to taking on apprentices and about why they want incentivising to do so, it is that the hidden cost of spending time with a person, bringing them on, encouraging them and making them work-ready cannot be underestimated.

Richard Graham: I am grateful to my hon. Friend for making that point. She has direct experience of these things, as do so many Members here today. It is absolutely true that the smallest companies' greatest fear on the administrative or bureaucratic side relates not necessarily to the paperwork involved in filling in an application form or designing an advert, but to the fact that a huge amount of time and effort may be required, hour by hour and day by day, to manage the apprentice. The worry is that the investment that will need to be made over a year or two before the apprentice can make a significant contribution to the business may not be rewarded at the end of that time because the apprentice

[Richard Graham]

might leave, might be recruited by somebody else or might not be able to deliver the return that the small business is looking for on its investment.

I want now to raise a few of the points that the FSB has raised with me, which it believes are relevant to the promotion of apprenticeships in the smallest businesses. On the promotion of ATAs to help small business, one advantage of such agencies is that they would employ the apprentice in the same way that the training company I mentioned in my constituency does. The ATA would deal with issues such as employer compulsory liability insurance, and help of that kind with modern administrative requirements would be useful.

On skill recognition, GTAs could provide an effective route for solving the problem I raised in answer to the point about tailoring the training of apprentices to companies' requirements. GTAs might well be able to help design new training programmes for specific companies to meet their requirements. Component manufacturers in the engineering sector, for example, which are an important employer in my constituency, may have more concerns and requirements regarding training than we realise. There might be small businesses out there that need something like a GTA to help them design the appropriate training course.

Perhaps I can bring that point alive with an anecdote. In my constituency, we have two makers of high-quality shirts; in fact, when I made my maiden speech in the House last year, I was delighted to be wearing a shirt made in Gloucester. Their shirts are made from high-quality English cotton and sometimes cotton from abroad. They are made in England, but one of the firms is increasingly taking on workers from Poland, where there is a high-quality sewing qualification. People arriving here with that qualification can immediately be put on the factory floor to contribute to the making of high-quality English shirts. It appears that this country does not yet have a similar qualification, which could easily provide the basis for a new form of apprenticeship with shirt manufacturers in my constituency and elsewhere.

I have also touched base with the British Chambers of Commerce, and it is important to recognise its remarks on the take-up of apprentices among small businesses. It believes that there is a case for better marketing to businesses of the resources that are available to them and of the benefits of apprenticeships. If we follow the suggestion of my hon. Friend the Member for North Swindon (Justin Tomlinson), such issues could be covered in what would, effectively, be a marketing flyer. Indeed, it could be designed by the company that he used to run in Swindon. That could be done at very low cost—possibly even pro bono—and the Department could distribute the details with information on business rates.

The British Chambers of Commerce also wants to place greater emphasis on the relevant agency sifting through candidates to find the right ones, rather than simply box-ticking. It says that small businesses have

"a greater fear than larger companies of the wrong candidate".

From my own experience, I know that finding the right candidate and spending time taking them through an induction programme before offering them a job, which is difficult for a small business, will be increasingly relevant.

Two weeks ago, I presented certificates to people on an apprenticeship course in a large distribution company in my constituency. I asked the gentleman in charge of recruiting apprentices how he did it. He explained that he took all the people who applied, and who had not been ruled out because of a criminal background, on a one-day induction course in his warehousing company. He made a point of having an escorted walk through the company, which was led by a manager who explained the business as the group went through the various parts of the company. A lot of candidates were ruled out early on because they simply were not paying attention or contributing. When the group sat down later for a PowerPoint presentation on the business and what it was trying to achieve, some of those at the back of the room were texting on their mobiles or BlackBerries—something, Mr Davies, I am sure would never happen in this Chamber. In effect, there was a series of soft hurdles, which, by the end of the day, had reduced the number of candidates from about 40 to 15.

The vast majority of our teenagers do not realise how important such things are and what an impact they will have on their job opportunities. There is therefore a duty on us all as constituency MPs, and possibly on the National Apprenticeship Service, to ask employers to lay out in schools, before teenagers leave after their GCSEs or A-levels, exactly what is involved in getting a job, because it is not just about writing a CV. The NAS and the Department for Education could do something on that. The Minister wears the hats of two Departments, and he might want to comment on the way in which the Department for Education could co-operate more with employers to promote apprenticeships for businesses and, indeed, for small businesses that decide to take them up, so that school leavers really understand the challenges ahead.

Mr Hayes: Given the interest in the subject, it might be helpful if I dealt with that point now. Yesterday, in the Select Committee on Education, I was able to advertise the fact that, given my responsibilities in the Department for Education, I want to work with Lord Hill and others to encourage much greater engagement between the world of work and the world of learning by bringing employers into schools and letting people know about the employment opportunities available to them. My hon. Friend can rest assured that we are on the case.

Richard Graham: I am grateful to the Minister; it is extremely helpful to be aware of that. He will have heard me say before—others may wish to comment on this in due course—that I ask every apprentice I meet in my constituency how much help they got from their schools in winning their apprenticeship, and nine and a half times out of 10, the answer is nil, so we have a long way to go on that front.

Let me bring together some of the threads in the debate. We have covered the Government's welcome commitment to see a vastly increased number of apprenticeships, and the Minister will confirm the figure of 150,000 additional apprenticeships, with 450,000 overall during the lifetime of this Government. We also touched briefly on the greater take-up of apprentices, particularly by large and medium-sized companies across the land in a variety of sectors, and the welcome pick-up in manufacturing, which has certainly driven forward

the number of apprenticeships, for example in the crucial engineering sector. I am delighted that the Gloucestershire Training Group, a specialist engineering organisation in my constituency, is now overbooked with new apprentices for next year. I am working with the group to try to achieve new and larger premises to cater for that demand.

We also covered the take-up of apprentices by small businesses. Both the statistical and anecdotal evidence is that it is a great challenge for this, or indeed any, Government. We have looked at some of the factors that could encourage and incentivise the smallest businesses to take on apprentices: administrative and bureaucratic questions, cash incentives, and cost reductions, possibly through wider training funding for older apprentices. We touched briefly on the role of GTAs and ATAs, and I am sure that the Minister will want to say more about that. We have looked at the role of local media and at the feelings of the FSB, the BCC and some Members' constituents.

The last part of my speech is about what we as MPs can do. I talked about how we can be champions of apprenticeships, both in general and more specifically for smaller businesses. I mentioned the role of apprenticeship fairs and having a specific sectoral focus. I have organised a job fair, which will have a large apprenticeships element, for the black and minority ethnic community in Gloucester in 10 days' time, and there will be something similar for those with disabilities in due course. There is a large amount we can do, but there is also one specific thing. There are 650 of us in Parliament, and if we each took on an apprentice, that would be 650 additional apprenticeships. Some of my hon. Friends here today have already done so or, like my hon. Friend the Member for Worcester (Mr Walker), are committed to doing so.

If 100 MPs took on apprentices, it should be celebrated in Parliament with a reception, perhaps generously funded by BIS, with a welcoming speech to all the apprentices by the Minister who champions their cause so doughtily in Parliament and elsewhere. That would send a message across the land that we are not only talking the talk, but walking the walk in finding our own apprentices and, as small business people with fewer than 12 employees, promoting apprenticeships. That is an exhortation to my colleagues, but it is also an advance call on the Minister's funding, to which I hope he will respond warmly.

I hope that today we send a message around the country that the Government are committed not only to increasing the number of apprenticeships, important though that is, and to highlighting their value in driving forward the future growth prospects for our businesses, vital though that is, but also to stimulating the smallest businesses in the land each to take on an apprentice, because that will both help their growth and serve their community by helping to reduce youth unemployment.

3.24 pm

Gordon Birtwistle (Burnley) (LD): I congratulate my hon. Friend the Member for Gloucester (Richard Graham) on securing this important debate for Westminster Hall today. He has covered most of what I was going to say, but I would like to make a few comments about my experience in the manufacturing industry and with apprenticeships.

When I was 15 years old, with no O-levels and without even passing the 11-plus, I left secondary school to become an apprentice craft engineer. I studied at night school for three nights a week until I was 25, and finished up with two higher national certificates. Those are the type of jobs that we need now. We have stacks of young people leaving university with higher qualifications but in engineering we do not have the people coming through to make the products that the academics and the people from university design.

Justin Tomlinson: I commend my hon. Friend for making that point, because the statistics show that those from apprenticeship schemes have a much better chance of securing full-time permanent employment than graduates.

Gordon Birtwistle: My hon. Friend is correct. Anyone who has a skill in running, programming and setting computer-controlled machinery will never be out of work. In fact, in Lancashire, there is a big demand for such people, and some companies are paying golden hellos to steal operators from other companies.

In Burnley, on 20 June we are having a manufacturing summit at the brand new £100 million college, which is linked to a university that is also involved in advanced manufacturing—that is a small advert for what we hope to do. I am pleased to say that the Secretary of State for Business, Innovation and Skills will be there, as will the managing director of Boeing UK, the chairman of AgustaWestland and many other big manufacturers, along with smaller manufacturers from north-east Lancashire. The event is about getting big and small manufacturers to come along to listen to the Secretary of State, but we have also asked local schools to give presentations and to bring students to listen to people in the industry, with a view to taking up apprenticeships.

At Business, Innovation and Skills questions this morning I asked about careers. It is vital that we instil in young people long before they reach 15 or 16 what the prospects in the work force are. Careers officers talking to young people at 12, 13 or 14 is important, because once they get to 15 and 16 it is too late for them to change their mind about becoming a doctor, vet, solicitor or barrister. They cannot have some careers because they do not have the qualifications, and cannot move into the subjects that might interest them in becoming apprentice engineers or entering manufacturing.

Burnley is one of the best places in the country for job vacancies. I spoke to the regional director of Jobcentre Plus, who told me that Burnley is one of the country's brighter lights because vacancies have gone up by more than 30% since this time last year. That is a great result, but the vast majority of vacancies are for skilled manual workers, and the big problem is that we do not have a pool of out-of-work skilled manual workers. My son, who owns an engineering company, tells me that if a skilled worker is out of work now, he is no good and he will not be taken on. That is the situation, so we need people to replace those who are retiring. It is critical that apprentices come through to do the craft jobs, and work on machines for the products that go into advanced manufactured items such as jet engines and components for the nuclear and oil industries, where we are world leaders and sell across the world.

Mr Marcus Jones (Nuneaton) (Con): It is a matter of concern, particularly when I visit manufacturing businesses in my constituency, that the employees have an average age between 45 and 60. Is that not a worry?

Gordon Birtwistle: I agree. That was to be my next point. A company in Burnley called Aircelle makes thrust reversers for the Trent jet engine. Three years ago the company employed 350 people; it now employs 800 people and has work for 15 years. Aircelle has been offered work from Boeing and other aircraft manufacturers, but has to turn it away because it does not have the skills.

I used to work for the company when it was called Lucas Aerospace, which was a long, long while ago. I walked around the place, and I said to the managing director, "I look at some of the people here and I remember them working here when I did, and I've been retired for three years. Some of these guys must be coming up for retirement." He replied, "The age profile is a big concern because more than 80% of the work force is 40-plus."

Another big problem for the company is that young people coming into the industry want to be designers and technicians, working on computers on the other side, and the guys who put the aircraft engine parts together are in short supply. It is a problem getting skilled fitters and process workers to come and do the job. The company is now a world leader in composites, but it is very difficult to get people to come and work on composite design and manufacture. Fortunately, it is using a lot of young ladies to do that now; because of the dexterity of their fingers, they are able to mould things in carbon fibre. I agree entirely that this is an issue that the Government must pick up. We must ensure not only that we train people to do the real top jobs but that we train young people to come in and do the jobs that involve physically making things.

As I said, at Burnley college we are having a manufacturing summit on 20 June. The council there has worked with the college. We spent £100,000 from the working neighbourhoods fund, and three years ago the college put in a further £100,000 to buy three Mazak advanced machine tools. The hon. Member for Worcester (Mr Walker) will know of Mazak because the company is based in his constituency. The college ran an engineering course but could not get anyone to go on it, but as soon as we put in the Mazak machine tools the course was overwhelmed, because young people see that they can work in an office and a workshop and design a product, go on a computer and feed the design into the machine, and then make the product on the new CNC—computer numerical control—machine. They can see that it is a great job for the future. The days of what I call the garage on "Coronation Street" with engineers in blue overalls with oily rags in their pockets have long gone.

Jim Shannon: They are all on three days a week.

Gordon Birtwistle: Are they? They are very fortunate to be on three days. In some of the big companies that make advanced products, food could be eaten off the floor because it is so clean, and young people see that.

An apprentice is an investment. Companies think nothing of spending thousands of pounds on a machine but will then worry about spending a few thousand on training someone to run it. It is important that companies think of apprentices as an investment for the future, because without them they will not have any staff for the future to make their product of the future, and the profits of the future will disappear.

The Government need to carry on with what they are doing. Like my hon. Friend the Member for Gloucester, I am extremely disappointed that we have not seen anyone from the Opposition here today. That is a big disappointment because this is a big issue. They often go on about it in the House, yet when we have a debate like this they cannot be bothered to turn up. Having said that, I hope that the coalition Government will get on with it and complete the course.

3.33 pm

Mr Marcus Jones (Nuneaton) (Con): Thank you, Mr Davies, for allowing me to make what I hope will be a short but important contribution.

I congratulate my hon. Friend the Member for Gloucester (Richard Graham) on securing this extremely important debate. He has made a positive, well-thought-out and comprehensive contribution, which goes to show just how much he cares—as, it seems, do a number of Government Members—about this extremely important subject.

I also want to take this opportunity—I do not often do this in my contributions to debates—to congratulate the Government, and particularly the Minister, on grasping the nettle and backing apprenticeships in this country. It will be an absolute honour to welcome him next week to the excellent North Warwickshire and Hinckley college in Nuneaton, where I am sure he will promote apprenticeships with the same vigour and enthusiasm with which he promotes them in the House. I am proud of that.

I am proud to support apprenticeships, because it is apparent that they are extremely important. Some 80% of people who employ apprentices say that the workplace is a more productive place as a consequence, and 81% of consumers favour using a company that employs apprentices. People of all ages understand the concept of an apprenticeship and, importantly, it is an excellent vehicle for getting young people into a proper career.

Bearing in mind the importance of tackling the huge problem of youth unemployment in our country at the moment, I will focus my comments on younger people. It is a real pity that that problem was not properly recognised by the previous Government, who presided over a huge increase in youth unemployment and a huge increase in the influx of foreign labour, which filled the skills void that we had when the economy was in better shape, leaving thousands of our young people on the scrap heap. I commend the shadow Minister for his attendance here today, but it is a damning indictment of the lack of seriousness and enthusiasm on the part of Opposition Members that none of them, apart from him, is here today.

While extolling the virtues of apprenticeships we must also acknowledge that not all is totally well in the proverbial rose garden. A large rump of employers in our country consider apprenticeships inappropriate for their organisations. I have been looking into that and, according to the Chartered Institute of Personnel and Development, 68% of companies say that that is the

case. In some instances, those companies may be correct, and there are a number of situations in which it is wholly inappropriate for businesses to employ apprentices. However, I suspect that in many others instances that is not the case, and that there are many situations in which apprentices could be taken on. Employers and business people view most things on the basis of risk, and they take a view looking at the particular risks of taking on younger people and at the barriers to employing apprentices and to developing their talent.

I want to highlight two issues in relation to risk. First, employers see a risk in taking on a young person who is untried and untested in the workplace. As Members of this House, we need to acknowledge that although many young people take to the working environment like a duck to water, many do not, as my hon. Friend the Member for Gloucester has mentioned.

James Morris: My hon. Friend is making a series of powerful points. On young people not being ready to take up apprenticeships in small businesses, it is important that we consider the potential role of the voluntary sector. For example, the YMCA and other organisations enable young people to develop skills before they take up apprenticeships, which is an important part of the mix.

Mr Jones: As usual, my hon. Friend has made a pertinent comment, which brings me on to my next point. Useful work experience can be obtained in voluntary organisations. Similarly, I am a firm believer in part-time work, in which I was active in my younger days, particularly when I was at school and college. Part-time work is invaluable to young people in developing soft skills—my hon. Friend the Member for Gloucester mentioned that earlier—and in relation to integrating into and learning about the workplace environment, which, to be perfectly frank, is completely different from a school or college environment. Young people going into a workplace are not dealing with teachers or their peers; all of a sudden, they are working with people who have been involved in the industry for many years and are not accustomed to somebody fresh and green from a school environment.

We must acknowledge that opportunities for part-time work for our young people, although important, are extremely limited. Although I acknowledge that we must do all that we can to keep our young people safe and ensure that they are not exploited in any way, we must consider the regulations that many employers face when employing youngsters part-time, which go far beyond health and safety. I received a useful briefing on employing children from the House of Commons Library, and I was astounded by the number of regulations that it contained. I would be surprised if many employers knew those regulations. If they did, it would frighten them to death to take on any young person part-time.

For example, the document states that young people may not deliver milk or work in a butcher shop. When I was that age, many of my peers did such work. I delivered milk with the Co-op milkman—I am not sure whether the milkman should have allowed me to deliver milk with him, but I went out and delivered it all the same. Many of my peers at school used to work for one of the local butchers part-time, and they gained invaluable experience. If we are to enable our youngsters to gain such invaluable experience now, we must ensure that we look carefully at the regulations to ensure that we put barriers in the way only when absolutely necessary. We must also consider removing a great deal of the bureaucracy, including what appears to be a draconian reporting culture, that employers must undertake. Does the Minister think that it is a healthy position effectively to bar youngsters from taking on many part-time jobs? Does he not agree that we should free up regulations in a sensible way?

Gordon Birtwistle: I had occasion a couple of years ago to question some young people about what they wanted to do when they finished school. One of them said that he wanted to be a benefit claimant. Does the hon. Gentleman think that working part-time for somebody might take that idea out of that boy's head and help him change his view, so that he wanted to go into work rather than being a benefit claimant for the rest of his life?

Mr Jones: I totally agree. That is part of the problem, which my hon. Friend has highlighted. There is a culture in certain parts of this country in which work is frowned upon. I am glad to say that we now have a Government who want to get this country and our young people working and create a culture of work, rather than one in which being kept—staying at home and collecting benefits—is a job choice, not a safety net.

That brings me to the other risk that employers in my constituency tell me about, which concerns employee retention after several years have been spent training a young apprentice. Obviously, the costs of that training are borne by the Government, in the main, but there are also costs to the employer in training people on the job. Employers are concerned that a young person will come in, serve an apprenticeship and leave. In certain trades, including the craft trades such as bricklaying, plumbing and so on, people can quickly set up as self-employed workers, and employers are concerned that they will invest their time and money in training young people who will either get a job elsewhere or set up on their own. We must address that, whether through an incentive scheme for employers or by other means. We must do all that we can to encourage employers to take people on and overcome those risks.

We need to consider the barriers to career progression that make things more difficult for employers, particularly those who have younger employees. That was highlighted to me on a visit to MES Systems in my constituency, which has two fantastic young apprentices whom I met. One of the apprentices had just finished his time and had qualified as an installer of security equipment, but unfortunately that young man will have to spend this coming year working for somebody else, not because he cannot do the job independently but because the company could not get insurance on the van that he needed to drive to get around independently. That is a major impediment not only for the young person who is not getting the experience of working independently but for the employer, who knows that additional work is available but is hamstrung by the fact that that he cannot send a person out to do that work, allowing him to take on another apprentice. That is the type of barrier that we need to think carefully about.

To touch on another constituency scenario, I spoke to the principal of a firm of accountants several weeks ago. The Minister will be glad to hear that he is looking

[Mr Marcus Jones]

to take on four apprentices as trainee accountants, but I am sad to report that to date, he cannot fill those vacancies, which is a sad indictment of careers advice and the link between employers, schools and FE colleges. It is important for the Government to tackle that issue. I hope that the all-age careers service will help with the quality of advice that our young people get, so that they can have proper careers and receive independent advice based on getting a job rather than on trying to meet exam targets or school or college league table targets. To many youngsters, that is important, but to some it is not as important as getting straight into employment.

Mark Pawsey: There has been pressure on young people in recent years to go to university. I have teenage boys who are very motivated to go to university, because that is what their peer group does and that is what they have seen happen. It is the entire emphasis of our education system. Those with practical application who are willing to get their hands dirty are discouraged or looked down on as not doing so well in life. Will my hon. Friend comment on how the Government can deal with that, and how a change in attitude might go some way to stimulating more apprenticeships?

Mr Jones: My hon. Friend has highlighted the flawed ethos of the Labour Government and their target culture of wanting to get 50% of our youngsters into university. Although that has been useful for many of our young people, and we should certainly not decry the importance of a university degree, it has led, as he has said, to a culture where people frown on youngsters who have not gone to university, which has left those youngsters feeling dejected and undervalued. That is a poor position to put ourselves in.

To refer back to the comments made by my hon. Friend the Member for Burnley (Gordon Birtwistle), we need to fill the gap in the skills sector, and there are many younger people who would be better off taking the skills route rather than going to university and perhaps doing a degree that is not necessarily recognised by employers or that is not relevant to getting into the labour market.

Richard Graham: My hon. Friend is developing a powerful case for the role of apprenticeships in general. Does he agree that the statistic that 15% of employment in the private sector is provided by sole proprietorships shows that if we were to persuade sole proprietors to take on a single apprentice each, it would make an enormous difference to take-up in the country as a whole?

Mr Jones: I agree with my hon. Friend's important point. Another point is that many people who have traditionally taken the skilled route and come from small businesses have ended up as the entrepreneurs of the next generation. They are the ones who have taken forward their work for an engineering business, for example, started their own business and employed a number of others. It is important that youngsters get a good grounding, whether that be by getting a good degree at a good university or by going straight into employment and getting the right skills with an employer, through an apprenticeship, which will give them not just a meaningful career, but, potentially, a business through which they can support the economy by employing a number of other people.

In conclusion, I urge the Minister to consider how we can give our small businesses far more confidence to employ apprentices and break down some of the prohibitive barriers that I have mentioned. I am absolutely sure that, if he does that, it will add great value and complement the sterling work that he is undoubtedly doing to give our youngsters the skills to drive our economy not only for today, but for the future.

3.51 pm

Mark Garnier (Wyre Forest) (Con): I congratulate my hon. Friend the Member for Gloucester (Richard Graham) on securing this important and useful debate. We have already heard a great deal about the issue, and I thank him for the huge amount of detail he has given on the statistics associated with this important topic. I will not try to reinforce any of those points.

I agree with everyone else present that apprenticeships are important, and I want to look at three particular reasons why they are important. First, they provide an opportunity for school leavers to get into the jobs market. As we have heard, the Government—the Chancellor announced this in the Budget—have presented an opportunity for 250,000 more apprentices to gain relevant specific training over the next four years. That applies to youngsters who might otherwise struggle or be tempted to go to university. This point was developed earlier, and I think that it is the case that the random target of getting 50% of school leavers to go to university is based on no fact whatsoever. It has led to the emergence of a market among universities, whereby they sell degree courses for things that, frankly, might be better served by apprenticeships. To a certain extent, it is our job in Parliament to highlight the fact that, if someone wants to be a photographer, there is no point taking a degree in photography when more photography graduates leave university each year than there are jobs for photographers in the whole of the European Union. It would be better to get an apprenticeship as a photographer's assistant and learn the trade on the job.

Secondly, apprenticeships are also an important opportunity for local businesses and small and medium-sized enterprises, as we have heard. There is no doubt that small businesses that are looking to further expand or to ensure their employee succession process will benefit from apprentices who come in at the bottom end of their businesses. Apprentices can work from the bottom and grow to understand the business so that, as they develop into managers of that business, they know it from a shop-floor level.

It is also important that a district can generate a local skills set that meets the expectations of future employers. I am delighted that Wyre Forest—specifically southern Kidderminster—has been selected by the Worcestershire local enterprise partnership as the preferred bid for the LEP business expansion zone. That is incredibly important for my constituency. My constituency once had 20,000 people working in the carpet industry, which brought on many apprentices but now employs about 1,700 or 1,800 people—it is a much diminished area. In the district, 4.6% of local people are on jobseeker's allowance, which is higher than in Worcestershire, and the area will

benefit from having a business expansion zone. Although it is important that, if we are to attract businesses to Wyre Forest, we do so partly through the business expansion zone, it is just as important that we have a local skills set that meets the expectations of incoming businesses. It is incumbent on us locally to deliver those workers and apprentices, in order to meet the expectations of those incoming businesses.

I was recently asked to open a new apprentice training academy in Bewdley, one of my local towns. The TDM Wyre training academy offers a range of information and communication technology training for apprentices in the local community, either by taking on apprentices from local businesses that already employ apprentices but want to give them more specific training, or by taking on students and finding them apprenticeship places. My hon. Friend will be delighted to hear that I am already talking to the academy to find out how my office can best take advantage of that opportunity and employ an ICT apprentice who, even though he is an apprentice, will no doubt be able to teach me a few things about information technology, which I am a bit of a muggins at. This is an organisation that recognises the Government's ambition and has reacted, as so many do, to market demand. It and others have not only identified the need for training, but, as I have said, are increasing the local skills set in my constituency, which is absolutely vital if we are to attract new businesses.

The Government-run NAS has recently started the 100 in 100 campaign, which, as we have heard, aims to generate 100 apprenticeship placements in local businesses within 100 days. The NAS is looking for business leaders, training providers and local media to work in partnership to influence the local business community to drive up the number of apprenticeship opportunities locally.

I am delighted that the Wyre Forest community housing group has become an ambassador for the campaign in Wyre Forest. The group has 35 placements for youngsters and claims a high number of apprentices who achieve nationally recognised qualifications and who stay on in permanent employment in the group after their apprenticeships have ended. Indeed, to demonstrate its commitment, the group is using apprentice bricklayers, carpenters, plumbers and electricians alongside qualified teams on all its new builds in Kidderminster. The community housing group scheme is important, because it draws its apprentices from a particularly challenging area in southern Kidderminster. The area has about double the district average for jobseeker's allowance claimants and about 40% of residents are economically inactive. I hope that the Minister will take back to his Department that further reason for looking favourably at the application for the Kidderminster business enterprise zone.

Thirdly, it is important to remember that businesses are also at the forefront of new technology. We have talked about small and medium-sized businesses, but I now turn to big business in order to illustrate the importance of this issue. In my capacity as the vice-chairman of the all-party group on space, I visited Astrium at the company's factory in Stevenage. Astrium is a global leader in the manufacture of satellites, and in addition to a tour of its Stevenage assembly plant, we were invited to the award ceremony for its apprenticeship scheme. The company is about as high tech as it gets. It manufactures satellites that are at the cutting edge of technology—indeed, one imagines that all space activities are at the cutting edge of technology. At any given time, it employs about 40 apprentices. They are youngsters who are bright kids, but in some cases they may have low aspirations. In a few instances, the company finds its candidate apprentices working in less than exciting jobs, with, frankly, limited prospects of career progression. Astrium takes them on, trains them up, gives them higher education if they want it and gives them a career path and a future. Some 50% of their apprentices go to university and half of those get first-class degrees. Many end up with high office within the company and typically they stay for an average of 25 years with this one company.

Astrium and other high-tech companies take on apprentices for a couple of key reasons. First, companies at the cutting edge of high technology have a unique and focused skills requirement that they simply cannot fill with resources off the shelf. They have to train their staff in specific ways. Secondly, they draw their apprentices locally, which provides not only a benefit to the local community, but a labour source that is loyal to the local area. That reinforces the reason why they are so keen to stay with the same company for such a long time. That is important for career progression and for resource progression, so that we know where the managers of the future are coming from. With 95% of apprentices staying on for a significant time, that is a very important point.

I shall end on a slightly more sober note. I was recently at a meeting of the Worcestershire Association of Secondary Heads with, among others, my hon. Friend the Member for Worcester (Mr Walker). Of course, we talked a great deal about education and what the Government are doing on that and, obviously, we presented a very good argument for the Government's sterling work, as I am sure hon. Members can imagine. However, at the end of the meeting, one of the heads asked the following sobering question: how can the Government demonstrate that this generation of school leavers will not become a lost generation. My reply to him—this has been reinforced in my regular column in *The Kidderminster Shuttle*—is that, far from being a lost generation, this generation of schools leavers are at the cornerstone of our country's future. Their success will determine our success as a country and as an economy.

Apprenticeships and the Government's apprenticeship programme are a good example of how this Government are delivering on that message. The Government recognise the importance of our future generation of skilled workers, and they are absolutely committed to supporting them, because, at the end of the day, business and skills are at the heart of the economic recovery.

4.1 pm

Mr David Ward (Bradford East) (LD): I congratulate my hon. Friend the Member for Gloucester (Richard Graham) on securing the debate and thank him for enabling us to discuss this important subject.

My father left school at 14. He benefited from an additional year at school, but he had very little in the way of qualifications and he served an apprenticeship for seven years before becoming a master plumber. I suppose that I served a kind of apprenticeship when I was articled as an accountant. Apprenticeships have almost disappeared from the industrial scene. The value

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of them coming back can be found not only in the many things that we have discussed today, but in the concept of a young person's commitment to achieving something specific and focused over an extended period. Of course, a business or an organisation must also show commitment to sticking with an individual and seeing them through.

Mr Marcus Jones: My hon. Friend talks very powerfully about apprenticeships. He has mentioned some of the history of apprenticeships and the apprenticeship that he went through, which was not unusual a number of years ago. Does he think that we need to change the culture, so that apprenticeships are far more valued? Should we perhaps return to some of the older values and have freemen of towns and cities and passing out ceremonies, where apprentices go along to the city hall or town hall and receive their papers from the mayor or lord mayor?

Mr Ward: There is a lot in that idea because the concept of working towards and developing a skill—in the old days, a craft—and a profession has been lost. The idea of sticking with something and staying with it until a body of knowledge has been achieved or a degree of experience or skill has been acquired has been lost over the years. I remember very clearly my father's small card showing that he was a master plumber. The importance of both an organisation's and a young person's commitment perhaps ought to be recognised more formally.

We all welcome the Government's drive to increase the number of apprenticeship places, particularly in areas of unacceptably high youth unemployment—for example, Bradford. In a couple of the wards in my constituency, one in eight young people are not in education, employment or training, and they are desperately in need of some sort of future. It is perhaps unfashionable in some quarters to defend one of the schemes that is still in operation but on its last legs: the future jobs fund. However, I want to talk about the importance of what has been described by others as getting people ready for apprenticeships and making sure that young people are employable in the view of those who wish to take on apprentices.

We need to be very careful not to throw away the baby with the bathwater. The future jobs fund in Bradford got off to a poor, bureaucratic and frustratingly slow start, but it did become a success, particularly with categories of young people who struggled to get into apprenticeships. It was successful both in getting young people into work and in giving them the skills and the work experience that it was hoped would help to them into employment long into the future. More than half of young people on future jobs fund placements in Bradford did not return to benefits after 28 weeks. They found some sort of career progression after, in many cases, pretty difficult young lives. A major criticism of the future jobs fund has been that a high proportion of jobs were created in the public sector but, in Bradford, around 75% of the placements were in the voluntary or community sector. That is big society at its very best.

I should like to mention the Thorpe Edge project. As you will know, Mr Davies, that is a community furniture project that had 13 future jobs fund placements over a period of years. It was apparent that, for some of the young people on that project, getting out of bed before lunch was an achievement, let alone having an apprenticeship where they were expected to arrive at half-past 8 and work through until the leaving time that night for five days a week. The people on that project were fortunate because those who were responsible for running it had experience of dealing with young people in a difficult area. If someone on an apprenticeship did not turn up at 8.30 am and perhaps came in at 10 am, they would have probably lost their job. However, through their knowledge of the young person concerned, Thorpe Edge project supervisors knew that the young person concerned probably came from a background where there was a lone parent or the person concerned was on drugs or suffered from alcohol abuse. In such circumstances, simply getting into work at all was an achievement. By providing intensive support and help for some of those young people, the programme allowed them to get into college or employment.

The focus of my comments is on those people who simply will not get those apprenticeships, however many placements we manage to generate and however many placements the Government are willing to fund. Additional apprenticeships certainly offer a good alternative to the future jobs fund or schemes of that kind in many cases, but there is space for both types of programme. We need schemes that benefit people who are employable and who will do well out of placements and people who would struggle to get on to apprenticeships at all.

There is clearly a supply-side problem in many economies. I hope that the Minister will set out some of the measures that can be used to address the shortage of apprenticeship placements. A scheme in Bradford with the local social housing provider in communities recently received more than 600 applications for just seven apprenticeship places. Evidently, demand is massively outstripping supply.

Other hon. Members have raised all sorts of issues about the barriers and why businesses are not willing to take on apprenticeships, whether because of bureaucracy and red tape—we have mentioned some of those issues—or because of a lack of awareness of apprenticeships, as hon. Members said earlier. Many people who have been in business for years might never even have considered offering an apprenticeship. We need to consider what is happening in the schools and through the careers advice service. We also need to recognise that in some communities, certainly for small businesses, cost is an issue. We need to bear that in mind.

The Federation of Small Businesses has been quoted a lot with regard to the implications for small businesses. I understand that the Government have decided not to extend an apprenticeship grant for employers that provided some time-limited financial support for businesses. We still need to consider that as necessary for certain businesses, particularly small businesses, and in certain economies with high unemployment and a small number of available opportunities.

Let us not forget that although businesses receive 50% for post-19 and a full 100% for pre-19—I understand that that might be extended in some cases—they still have to pay for the young person. For many small businesses in particular, that is identified as being the most important cost. An FSB survey identified that it is

simply too costly to take on. Of all the reasons why they were not taking on apprentices, the fact that it was just too costly came out top.

An FSB survey on skills identified that 66% of businesses said that, with the right measures in place, they would take on an apprentice. Those measures include a financial incentive for taking on an apprentice, greater clarity in terms of Government contributions to wage and training costs, and a separate body, interestingly, to manage the payroll costs. That has to be a way forward for many of our young people.

For 20-odd years, I worked in a university. We have heard some comments about university today. I agree that it was wrong to specify a 50% target. For many young people, the message was that if they do not get to university they have failed, and that closed up a lot of options. I also have tell hon. Members that, as someone who worked in a university for nearly 25 years in total, many young people, especially towards the end, were there because they did not know where else to be. They were there to find themselves and to delay a decision. They were there to gain something—a qualification, which they hoped would be useful—but also to defer a judgment on what they should do with their lives.

Laura Sandys (South Thanet) (Con): Does the hon. Gentleman think that those young people found themselves after the three years they were under his stewardship? The fundamental issue, brought up by many hon. Members, is that we do not start to talk about the world of work early enough. Many hon. Members have said that there is an issue about education and schools. I have never been impressed by the careers system and careers officers across the board, either in my era or now. Does the hon. Gentleman have any greater sense of confidence in the careers system that mentors our young people?

Mr Ward: There are measures to improve the system. It has failed in many instances. On getting information through to young people, I would add that the most important individuals for many young people as they go through their education—a blinding flash of the obvious—are the teachers, not the careers advisers. How many teachers have any experience of life outside of a school, whether in manufacturing, engineering or not being a teacher?

I am concerned that we miss a trick if we focus on developing the careers advisory service, recognising that it is a weak area that we could develop, without looking at the crucial issue of the experiences of the most influential characters in our young people's education—the teachers themselves. Perhaps the Minister has something on that—it may not be his remit, I do not know—but exchanges between business and schools are important. When young people consider what they want to do with their lives, they should be surrounded by people who have experience of something other than going to university or being in another educational setting.

Gordon Birtwistle: In Burnley, we have got the big local companies involved with mentoring students in schools for the future. Is that something that the Minister will pick up, run with and expand across the country not only with big companies, but with smaller companies?

Mr Ward: I should like to conclude by coming back to the focus of my comments. I think that the figure of 8% was mentioned as the number of businesses who take on apprentices. If we look at that figure, however, the vast majority are small businesses. Those are the statistics. We know that the vast majority of businesses are small businesses—the butcher, the baker, the candlestick maker and so on. We want to fill the supply side gap. Yes, we want to get the big companies involved and that in some ways that is relatively easy. If we are to provide at a practical local level experience and apprenticeships in small businesses, we need to consider some element of wage subsidy.

Richard Graham: The figures back the hon. Gentleman up. Some 3.3 million businesses have sole proprietors; that is, 3.5 million people. That is 16% of all people in business. One apprentice for a third of those would take a million people into employment.

Mr Ward: I thank the hon. Gentleman for those comments, and for giving me time to look at my own notes.

The FSB has pointed out that two thirds of apprenticeships are offered by small businesses. Of that 8%, the vast majority are in small businesses, so we have a problem. Small businesses, certainly in areas of high youth unemployment, have been the main provider. However, small businesses in those economies are struggling the most and can ill-afford the cost associated with apprenticeships. I would argue that there may be a case for businesses—small businesses in particular, in areas of high unemployment, particularly high youth unemployment—to consider some element of wage subsidy to enable those who will simply not otherwise get into apprenticeships to be taken on by those businesses and partly fill the gap that has been left by the withdrawal of the future jobs scheme.

4.18 pm

Mr Gordon Marsden (Blackpool South) (Lab): It is a great pleasure to serve under your chairmanship, Mr Davies. I begin by congratulating, and not just in the customary way, the hon. Member for Gloucester (Richard Graham) on bringing an extraordinarily important subject to the Chamber today. His speech had depth and breadth; it was extremely expansive and dealt with many of the most important points. It is inevitable that the general approach we take to apprenticeships is concentrated on the challenge we face in dealing with apprenticeships in small and medium-sized businesses. Whether we call them micro-businesses, sole traders or people who are starting out on their own, the issue is magnified in that area. The hon. Gentleman has therefore done the House and the Chamber a service by the breadth of his remarks.

The hon. Gentleman talked about apprenticeships not being to do with manufacturing alone, which is true, and under the previous Government that diversification of apprenticeships, which is continuing, was important. The current Government have inherited that rising curve in apprenticeships, taken by the previous Labour Government from a base of 65,000 in 1997. The occasion is not one for trading loads of statistics or being partisan, but it is incumbent on Members to remember that the abolition of Train to Gain released to the present Government a significant amount of money, some of

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which they have chosen to use in the expansion of apprenticeships, which we welcome. The challenge for all of us, in whatever position, is to ensure that the expansion of apprenticeships is a success and continues.

It is important to look at the elements of policy continuity and, in particular, I pay tribute to the Minister for how he and his colleagues have continued to support Unionlearn. The routes into apprenticeship are many and varied, and we have heard today about some of those ways and how some can be improved. Undoubtedly, one of the best ways of persuading people into apprenticeships or taking up skills at whatever age is the support, endorsement and encouragement of their peers. In that respect, the work of Unionlearn has a great deal to teach us, whether or not we are talking about unionised environments. In the same way, many of the contributions this afternoon, in particular the last one, have stressed the need for such a process to be understood across the board.

The challenge we face is the one given to us by the Federation of Small Businesses, with figures on numbers and take-up that people have quoted in some detail today. Small businesses are crucial to growth. The hon. Member for Gloucester talked about that, and about the importance of taking on GTAs. He and other Government Members were somewhat sceptical about the former future jobs fund, but although we live in a three-minute universe, they ought to remember that their own Chancellor announced in the Budget earlier this year what some of us might regard as a pale imitation of the future jobs fund. We wait to see how that carries through. The hon. Gentleman made a valuable point at the end of his speech about incentives. I was particularly interested in the idea of the graduation of incentives over a three-year period, which many of us are familiar with from commercial practice, not least in hiring builders, and there is a lot to be said for that.

I congratulate other Members who spoke this afternoon. The hon. Member for Burnley (Gordon Birtwistle) talked about the importance of peer endorsement in apprenticeships and about the problem with skilled manual workers. Again, that is not a new problem but one flagged up by successive Select Committees, and it was a key issue in the Leitch report, to which all parties subscribed.

The hon. Member for Nuneaton (Mr Jones) raised issues about the careers service and the exposure of young people to the working environment, which is also important. Again, it is not a new issue. Some years ago, when I was a member of the Education and Skills Committee, we went to two places in the United States to look at training in schools, in Boston and North Carolina, which had good examples of training in units in a secondary school. In such a unit in North Carolina, most of the young people—very much from a blue-collar background—subsequently got jobs with the Bell Telephone Co., which had sponsored the unit. There are some lessons for us in that, with interesting echoes in such ideas of recent years as studio schools or the university technical colleges, of which Lord Baker has been such a strong advocate.

I was delighted to hear the contributions of the hon. Members for Wyre Forest (Mark Garnier) and for Bradford East (Mr Ward). The hon. Member for Wyre Forest was particularly interesting and illuminating on his experience with the space company, which, in terms of where apprenticeships can take someone, I have found replicated in my own neck of the woods; a large number of people in Blackpool work for British Aerospace in one capacity or another. His reminder that it is a good idea not to make a false comparator—either apprenticeships or universities—was valuable. Whatever the value of higher level apprenticeships in their own right, we ought to be putting far more emphasis on ensuring that universities accept and look at vocational qualifications, and take themselves through to that level.

It is always a great pleasure to hear the hon. Member for Bradford East, who is extremely knowledgeable and passionate in this area. I was glad to hear what he had to say about his experience of the future jobs fund. It is true that in many areas it was not simply public sector-led. The statistics for my area of Blackpool mirrored those given by the hon. Gentleman. I vividly remember visiting Blackpool football club where six young people had been taken on under the future jobs fund, giving a similar success story.

I make one more point lightly and in not too partisan a fashion: I hope that hon. Members will see that the previous Government never made a commitment to or objective of 50% of young people under the age of 30 going into university education. If we look at the detail, we see that it was about some form of training or further or higher education. I make that point and pass on, but I am proud of the work that the previous Labour Government did to bolster apprenticeships and the apprenticeship system, making them an attractive option for businesses of all sizes. As I said, the results speak for themselves.

We set up the National Apprenticeship Service in 2009, as a national body playing a key role in overseeing the apprenticeship programme, providing information to potential apprentices and helping to match them with employers. We also introduced national apprenticeship week. It is a pleasure to hear today from so many Members that they have taken advantage of the hook of that week—throughout the rest of the year as well—to promote apprenticeships in their own constituencies. It is a good opportunity for doing that.

In my constituency, in February this year, my local Blackpool newspaper, *The Gazette*, sponsored an apprenticeship drive across the Fylde. I spoke at the launch of the drive and supported it, and it reached the sort of target figures of 100 to 150 apprenticeships, to which reference has been made. In my work as a Member of Parliament, I have seen the success of apprenticeships not only for very large companies such as BAE Systems, but also for small and local organisations. The Blackpool Pleasure Beach has taken on a number of apprentices successfully, as have many construction firms, or the dental practice in my constituency that I visited this year, which has just taken on two apprentices.

Sometimes it is not easy for a Government of any hue to persuade small and medium-sized businesses to look at apprenticeships. I know that from my own experience of running a small business with eight employees for 12 years before I came into this place. I know, as no doubt do many hon. Members who have spoken, about the multiplicity of factors and pressures on small businesses

when they are trying to decide what to do: cash flow, marketing, promotion, lease arrangements. The list gets longer every year.

Of course there must be a receptive environment for small businesses to take on apprentices, and they must believe that it is worth expending the time, but that raises big issues about the structure of apprenticeships, and whether they are sufficiently structured to be useful to and easily accessible by small and medium-sized businesses. I do not want to be misunderstood. I am not suggesting that we abandon the traditional apprenticeship structures to which the hon. Member for Bradford East rightly referred.

My father undertook a traditional apprenticeship for a large company, Crossley Brothers, which is sadly now less well known than it was. It was a major factor in the engineering world certainly into the 1960s, and to the present day. Such apprenticeships have their value, but we must also consider the new type of apprenticeship. There are big decisions to be made and discussions to have about the value or otherwise of a modular approach, about delivery of apprenticeships on the job rather than outside at a further education college, and so on. Such matters must be taken into account when considering what benefits will encourage small businesses to take on apprentices.

Despite the Government's announced additional investment in apprenticeships, many businesses still believe that there are major deterrents. A City and Guilds survey—I was at its launch during national apprenticeship week earlier this year—showed that 80% of employers still believe that there are barriers to hiring apprentices, and one in five believe that the current economic climate makes it too risky to take on an apprentice. A couple of other statistics are relevant to what hon. Members have said today. Just under half of employers would be encouraged to have an apprentice if more Government funding were available per apprentice—whether that would be a deciding factor, of course, is always the key question—and 26% wanted the recruitment process to become simpler and less time-consuming.

Those statistics are interesting, and have been supplemented recently by a major survey of 500 employers across the board, not just SMEs, by the Chartered Institute of Personnel and Development. Its findings are interesting and specific, and slightly contradict what City and Guilds said, because they showed that two thirds of those not offering apprenticeships reported that it was inappropriate for their organisation. Again, the point about how to market apprenticeships and present them to companies comes to mind. One in six said that they were not offering apprenticeships because of a recruitment freeze, budget restraints or the economic climate. Interestingly—I am not saying that one side or the other has the last word—less than 5% said that they were put off by too much associated bureaucracy or insufficient public funding.

Whatever the case, major challenges must be overcome. It may be relevant to the example about the value of soft skills—I do not like referring to soft skills because that may suggest that they are not important; I prefer to call them enabling skills, but that is a matter of nomenclature—that the CIPD survey showed that apprentices were rated highly for enthusiasm, work ethic and presentation, but that their creativity, innovation, initiative and customer service skills were less impressive. There may be some messages there about the school system.

The statistics from the Federation of Small Businesses, as many hon. Members have said, are worrying for the reasons that have been described. It is particularly valuable that the FSB not only provides such data, but regularly monitors attitudes and feedback from its membership. I understand that the latest report is due out tomorrow, and it will be particularly interesting given the current fluid nature and uncertain prospects for growth. Similar statistics came from the CBI/EDI educational skills survey, which was published last month. It showed that apprenticeship growth is increasingly concentrated in large companies.

That is on a par with the Government's need urgently to consider tailoring apprenticeships better towards the need of SMEs. It is a two-way process, which the Government must take on board and, with the National Apprenticeship Service, be alert to the changes and modifications that employers report. They must allow employees to complete the course-based elements of their apprenticeships. I do not exempt further education colleges from that process because, certainly in my neck of the woods, it is important, particularly when bringing in people who must do a lot of juggling with their work-life balance, that delivery of off-job apprenticeship course work is as close to their work or living place as possible.

Laura Sandys: I was pleased to welcome the Minister to my local further education college, Thanet college, which has been extremely helpful and important to me in the recruitment of an apprentice I have just taken on. FE colleges are embedded in their communities, and play an important role as ambassadors for the apprentice system. They support employers who may not understand the system effectively. Does the hon. Gentleman agree?

Mr Marsden: I absolutely agree. In my neck of the woods, Blackpool and The Fylde college has done sterling work in that area. There is sometimes an issue about colleges understanding the need to deliver some of their training closer to the workplace if possible and closer to the living space if possible of the people they are trying to reach.

Mr Hayes *indicated assent.*

Mr Marsden: I see the Minister nodding, and I suspect that as he represents a rural constituency he understands such issues.

The process is a two-way one, but the Government must consider the unintended consequences of their decisions elsewhere. In their hasty abolition of the regional development agencies, many of the bodies that oversaw local skills and employment policies were swept away. The new local enterprise partnerships have no powers in those areas, as skills policy remains under central control from Whitehall.

The Federation of Small Businesses and other business organisations have been critical of the Government's failure to give local enterprise partnerships the tools to do the job. Included in that is the concern of the Federation of Small Businesses that there are not enough

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representatives from small and medium-sized businesses on local enterprise partnership boards. Allowing them to have a greater voice is important in terms of real input in tailoring and structuring skills policy locally, and that includes apprenticeships. Indeed, by their nature, small businesses understand the life-changing impact of apprenticeships, and how that must be balanced against day-to-day needs. We must remember that although much has been said, rightly, about the challenge of youth unemployment, we also face the challenges of demographic shift in the next 10 to 15 years, the projections in the Leitch report, and the particular needs of work-life trade-off if we are to attract older people to become involved with apprenticeships. That includes women in particular. There are impressive models from organisations such as B&Q and British Gas, but we need to see how those good practices can be replicated to their counterparts in small business.

Finally, I want to look at pre-apprenticeship preparation, which has been mentioned by one or two hon. Members, and in particular by the hon. Member for Bradford East in the context of the first job agreement—the FJA. Information, advice and guidance is crucial to inform people about the opportunities provided by apprenticeships, and if young people do not get such advice, SMEs may be deprived of many suitable candidates. It is vital that the Government have a framework that can deliver quality information, advice and guidance. In truth, however, there are still real problems with the new all-age careers service.

I know that the Minister has done his best to take forward such issues in the Department for Business, Innovation and Skills. Nevertheless, to echo earlier remarks, the Department for Education remains singularly unfocused on the need for financial support and for the necessary information, advice and guidance to be provided face to face. I urge the Minister to press his colleagues further on that.

What proposals does the Minister have to monitor completion rates more effectively? What conversations are his officials having with organisations responsible for qualifications about the balance between modular and more traditional structures for apprenticeships? Such things will be key in determining the attitudes of small businesses when taking on apprentices. We all agree that apprenticeships have a very real worth for businesses and apprentices, but the Government must recognise that one size does not fit all. If SMEs are to help lead sustainable economic growth and recovery, they must have the tools to achieve it. We must ensure that apprenticeship frameworks and mechanisms are accessible to all the small businesses that hon. Members have quite rightly praised today, and not only to the big companies that have the money and resources to take on apprentices.

4.41 pm

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): It is an immense pleasure to serve under your chairmanship, Mr Davies, and it is always a pleasure to speak opposite the hon. Member for Blackpool South (Mr Marsden), who presents his case with typical flair and fairness.

I congratulate my hon. Friend the Member for Gloucester (Richard Graham) on securing this debate. Over the past year, he and I have had a number of discussions about apprenticeships, and whenever we have done so, he has shown a commendable interest in and enthusiasm for the subject. He has also brought to my attention a series of ideas, reflected in his opening remarks today, about how we can further our policy to expand the number of apprenticeships available. I had the pleasure of visiting Gloucester rugby club with him and taking part in an apprenticeship fair that he had helped organise. It was a splendid occasion, and I know that he plans to take that forward with a number of similar events in his constituency that will be targeted at under-represented groups. Such work is highly commendable.

I am grateful to all hon. Members who have contributed to the debate. As the hon. Member for Blackpool South said, many interesting points have been raised, and I shall try to address as many of them as I can in the time available—I have rather more time today than Ministers usually have when responding to such debates, which is welcome.

To place my remarks in context, let me stress to hon. Members that—make no mistake—apprenticeships are a flagship policy for the Government. It is true that the previous Government made progress on apprenticeships, and I shall say more about that in a moment. It is equally true, however, that apprenticeships have never been more central to public policy than they are today. The programme to build more apprenticeships in Britain than ever seen before in our history is supported by the Prime Minister, the Chancellor and all Ministers with responsibility in the area. That is not merely rhetoric—though I have nothing against rhetoric—and it is illustrated by the fact that, despite financial constraints that were, it is fair to say, unusual in their severity, over the current spending period the Government have dramatically increased the funding available for apprenticeships.

The hon. Member for Blackpool South was kind enough to acknowledge that one of the first things that I did on entering the Government was to transfer £150 million of deadweight Train to Gain funding into apprenticeships to fund an additional 50,000 places.

Mr Marsden: But what happened to the rest of it?

Mr Hayes: I will come to that in a few moments. When I announce the details of the statistical first release to the House at the end of the month, I am confident that they will show substantial progress and achievement. As hon. Members will know, provisional data already in the public domain suggest that we have made remarkable progress, despite the difficult economic circumstances in which, as has been said, some firms might not usually be expected to consider training or employing new staff.

The commitment that I have articulated was confirmed in the Budget, when the Chancellor announced a further £180 million of funding for apprenticeships. That will enable us to create 40,000 places for young unemployed people, taking them from disengagement to re-engagement, and an additional 10,000 places for advanced and higher level apprenticeships that are focused on SMEs.

The work that I am doing with the Department for Work and Pensions has been mentioned. To an unprecedented degree, I am working with my colleagues to ensure that the welfare reforms being introduced,

and particularly the Work programme, marry with the work we are doing on training, skills and apprenticeships. It is important that the 100,000 additional work placements that have been secured have a close relationship with subsequent training and that the system is progressive. The experiences that people gain as they move from disengagement to re-engagement should lead to further learning and training and ultimately to work.

Mr Marcus Jones: Under the previous Government, there was a shocking drop-out rate in the number of apprenticeships started and those completed. In 2009-10 alone, nearly 280,000 apprenticeships were started but only 171,500 were completed. That is shocking. Will the Minister assure me that the Government will pay far more attention to that issue? Although we cannot guarantee that every apprenticeship will be completed, we should ensure that we get a far better rate of completion than in the past.

Mr Hayes: Even a Minister as confident as I am would not wish to disagree with my hon. Friend, because he is so highly regarded both in his constituency and in the House. None the less, I must say in fairness that the previous Government made progress on completions—I do not like to say things in the House that I cannot say with candour. Although it is true that completions, both under the previous Government and this Government have posed a challenge—as described by the hon. Member for Blackpool South—considerable progress was made by the previous Government. Furthermore, to be ever more generous and even more self-deprecating, let me say that it will be a challenge for us to maintain completion levels as we expand the programme. One risk of a rapid expansion in apprenticeships is that we will need to be careful about starts and completions. As more people are drawn into the system by the energy that we invest and the resources we provide, unless we are careful, there is a risk that the number of completions will suffer. As has been suggested, I am working closely with my officials and we must monitor the situation through the NAS and look at what measures we can put into place to ensure completions.

I do not want to move too far from the main thrust of my argument, but one such measure might be to look at outcome payments for large apprenticeship providers—in other words, to work with those large providers and ensure that payment is made on completion. I am in discussion with a number of major national companies that are extremely interested in engaging in such a system, and we will pilot such a scheme with a number of significant apprenticeship providers. That is one of the things that we can do with regard to completions, but my hon. Friend the Member for Nuneaton was right to draw that issue to hon. Members' attention, as was the shadow Minister, the hon. Member for Blackpool South.

The difficulty for me in all this is that I have invested a considerable amount of my political reputation on the basis that we will indeed create such numbers of apprenticeships. That might be described as a bold move. The shadow Minister and possibly others would be disappointed if I was not poetic at some time in this speech—I was going to say "performance", but I do not want to undersell myself—and it was Ezra Pound who said:

"If a man isn't willing to take some risk for his opinions, either his opinions are no good or he's no good."

The risk that I have taken in respect of my opinions is indeed the risk about our endeavours to grow apprenticeship numbers dramatically, but we have to take such risks if we believe that something is right, as Pound suggested, and I do believe that this is right for reasons that I shall detail as I respond to the debate.

Mr Marsden Will the Minister give way?

Mr Hayes: I will happily give way. Is the hon. Gentleman going to quote Pound?

Mr Marsden: The Minister will be relieved, possibly, or disappointed to hear that I have no intention of swapping literary quotes with him. Before we lost the thread of the previous useful exchange with the hon. Member for Nuneaton (Mr Jones), I wanted to ask the Minister whether part of the consultations or part of the consideration of how we make progress on completions will cover whether certain structures of apprenticeship cause more problems between start and completion.

Mr Hayes: Yes, I think that there will be consideration not only of structures, but of whether there are sector-specific problems, whether there are problems with certain kinds of apprenticeship and frameworks and whether there is an issue about different ages of apprentices. The hon. Gentleman will know—indeed, the whole House knows—that we are focusing, as I described earlier, on apprenticeships as a means of re-engaging people who are disengaged. The hon. Member for Bradford East (Mr Ward) described the length—and I might say the difficulty—of the journey that some people make to re-engagement. It is a tough set of challenges for people who were failed by the system first time round. Sometimes, the path to the destination that they seek and we seek for them will be relatively stony. Small bite-sized chunks of learning, delivered in a way that is highly flexible and accessible, are often the way of dealing with that, and we may well need to consider structure in that context.

The hon. Member for Blackpool South will also know that I will announce in the autumn progress on our access to apprenticeships policy. We recognise that many young people in particular do not have the prior attainments necessary to begin even a level 2 apprenticeship. We need to create a ladder for those young people, so that they can acquire the core skills necessary for them to progress subsequently to further training and employment. He is right to say in that context that the form, character and pace of learning need to be appropriate to the circumstances of those learners.

The net effect of the commitments that have been given by the Government is, I believe, that we will create more apprenticeships than ever before in this country. To put that in firmer terms, as the Prime Minister himself has said, we expect to create 250,000 more apprenticeships during the lifetime of the spending period. That will constitute extraordinary growth in the number, compared with what Labour projected. We expect to exceed the previous Government's target by 250,000. That is extraordinary, unprecedented growth in the number of apprenticeships.

There has never been that kind of growth in this country. However, there are precedents elsewhere. Meeting my French counterpart some time ago, I was interested to learn that the apprenticeship system in France has

[Mr Hayes]

metamorphosed in the last 20 or so years. The French apprenticeship system was in the doldrums 25 years ago, but the concentration, investment and commitment of successive French Governments have meant that France, like Britain now, sees apprenticeships as critical to delivering the skills necessary to build a competitive economy. Therefore, we know that that can be done with political will and determination, backed by resource.

I have said on many occasions that practical skills and those who learn them remain scandalously undervalued in our society. It has been said in the debate that many people, including some employers, still view apprenticeships as somehow not quite good enough. That is partly about careers advice and guidance and the perception of the routes available, particularly to young people. The matter was raised by the shadow Minister and others, including my hon. Friend the Member for South Thanet (Laura Sandys). By the way, I was delighted to join her in her constituency when I visited Thanet college. I will take this opportunity to say that the work that that college is doing with Canterbury Christ Church university is extraordinarily important in developing a practical route to higher learning for many of the constituents whom my hon. Friend so competently represents.

The advice and guidance that people receive will shape their choices about the learning and employment routes that they take. One should not underestimate the influence that that advice has, particularly on young people, as I said. The truth is that people such as us are particularly advantaged in those terms, or at least our children are. The familial networks and social contacts that my children enjoy will mean that they get pretty good advice about the options available to them at school, college and university and in work. That is not true of the very large number of people who do not enjoy those familial and social contacts. Professional advice and guidance are very important in rebalancing the quality of the advice that is available to those who are most under-represented in higher education—those who start with the most disadvantages.

On that basis, I am determined to develop an all-ages careers service, as hon. Members know. That service will bring together careers professionals to a degree that has not been known previously, with a common set of professional standards and training and consequent accreditation, to deliver high-quality, independent and empirical advice and guidance, including advice and guidance on vocational learning options and practical and technical jobs.

It has been said in the debate—I think that it was said by the hon. Member for Bradford East, my hon. Friend the Member for South Thanet and other hon. Members—that the advice given in schools is often inadequate. It is fair to say that it is patchy. Some schools do this rather well; many do it less well. However, what characterises the advice is that it is usually prejudiced by the academic experience of the person offering it. It is a big ask of teachers to be excellent pedagogues and also experts on every kind of career option. It seems to me to be much better for schools to secure independent advice. That is why the Government are putting a Bill through the House—it is progressing from the Commons to the Lords as we speak—that will put a statutory duty on schools to secure just such advice. There will also be unprecedented professional competence.

I am pleased to say, as I hinted teasingly at Question Time in the House earlier today—actually, it was the Secretary of State who revealed it—that we will be working with the Department for Work and Pensions to co-locate the national careers service in Jobcentre Plus from this autumn. We will pilot that process and then have a speedy roll-out. The national careers service, with separate branding, will be available to people in Jobcentre Plus, offering the very kind of empirical advice that I have described. In addition, I will hold discussions with representatives of colleges to consider co-location in our network of further education colleges.

As well as that, I am considering how funding can be provided in a way that incentivises professionals in the careers industry to be bolder and to reach out with a new commercial zeal—of course, the independent advisers are businesses, too—to provide quality advice. That will make so much difference, particularly for those who do not usually get good advice from elsewhere.

I shall say a little more about the perception of apprenticeships and practical learning. We too often undervalue vocational competence. Practical skills and craftsmanship remain objects of admiration for most Britons, but not so among the chi-chi class, the glitterati and the chatterati, who see practical skills as somehow beyond their scope or their understanding.

The Government's will reflects the people's will in this, and I am determined, not merely because it is essential for economic purpose but because it is right socially and culturally, to ignore the overtures and shrill complaints of what I might call the haute bourgeoisie liberal establishment—I do not mean the Liberal Democrats, of course; in this context it is liberal with a small l—and make the case for practical vocation and technical learning and practical vocational and technical competency. We must once again value craft. We must elevate the practical.

Part of this concerns the aesthetics of apprenticeships. During adult learners week, I was able to announce a range of measures designed to raise not only the status of apprentices but their self-esteem and the worth that apprenticeships confer. Those measures include the introduction of graduation ceremonies to give public recognition of apprentices' successes and the creation of alumni networks to allow former apprentices to stay in contact and continue to exchange ideas and experiences.

My hon. Friend the Member for Harlow (Robert Halfon) made a convincing case for a society of apprentices, and we shall look closely at that. I very much welcome my hon. Friend the Member for Gloucester's acknowledgement of the importance of celebrating apprentices and their achievements, and that was reflected in the comments of the hon. Member for Burnley (Gordon Birtwistle). Hon. Members will be glad that, later this month, the national apprenticeship awards, which I shall attend, will celebrate the achievements of apprentices and employers from all over the country.

I turn now to some of the specific raised by my hon. Friend the Member for Gloucester. He said that small and micro-businesses take on apprentices not only to drive up growth but to drive down youth unemployment.

He is right. Apprenticeships are good not only for growth but for re-engagement in the economy and for social mobility, social cohesion and social justice. You know as well as any Member, Mr Davies, that social justice, in the spirit of Disraeli, lies at the very heart of Conservatism.

My hon. Friend asked for recognition of the fact that, for many reasons, including business confidence, recruiting apprentices is a challenge for small businesses. I recognise that, and I assure him that I am in no way complacent about the work that must be done to meet that challenge. That is why I have asked the NAS to report to me regularly on the progress that it is making, particularly in that field. We are constantly pushing to do more.

My hon. Friend sought a commitment that we would consider ways to increase small business take-up, possibly through group training associations and apprenticeships training agencies. The Growth and Innovation Fund will allow the development of more GTAs and ATAs. I cannot say too much about that, because the bids have not been considered yet and the results have not been announced. However, my hon. Friend will be pleased to know that a large number of applications relate to the areas that he has mentioned. I am a keen supporter of the GTA model, and I am carefully considering how, and in what circumstances, we might see further role-outs of that model to reduce the burden on small employers of taking on an apprentice.

My hon. Friend spoke about providing some form of incentive to small employers to take on an apprentice that have not done so before. He will be aware that he echoes the observations that Alison Wolf made in her report to the Department for Education on vocational education. She recommended that targeted subsidies should be issued to some employers in some circumstances. Although I cannot confirm any details today, I am not unsympathetic to that view. That will not come as a surprise given that it was in the Conservative manifesto, which I wrote before the election—I must say that I wrote that part, not the whole of it.

Had economic circumstances been different, and given that the coalition partners share a view on the matter, we might well have put measures of that sort into place, but we live in tough times, and it is not possible to do all that we might have done or might have wanted to do. Nevertheless, Alison Wolf's proposals shed fresh light, and we will be considering them in detail, mindful of the deadweight costs that are always associated with financial support for employers.

My hon. Friend mentioned bureaucracy, transparency and flexibility in the system, and he asked for my assurances on those matters. My officials are working on plans greatly to simplify the apprenticeships system, and to make it as easy as possible for employers of all shapes and sizes to take on an apprentice. Indeed, a taskforce led by major employers has just reported to my officials on the subject. It will use the recommendations of real employers with relevant experience to make such changes a reality. As I have said, we are piloting outcome payments for large employers and developing a toolkit for smaller employers to guide them through the process. Smaller employers often say, as my hon. Friend will acknowledge, that the process is confusing; they are not sure where to turn, or which steps they need to take and when. Bringing the information together in a highly accessible form will counter some of those doubts and answer some of those questions.

My hon. Friend knows that I wrote to all Members during national apprenticeship week in February, urging as many as possible to take on apprentice in their offices. An apprentice works alongside me in my ministerial office—I was with him today—and my Parliamentary Private Secretary, my hon. Friend the Member for Bromsgrove (Sajid Javid), has just taken on an apprentice—he is a model of all that is best about the 2010 intake of Members, and I urge all hon. Members to do the same. I would, of course, be delighted to host a reception for Members from across the House with their apprentices not only to celebrate their commitment to the programme but, more importantly, to advertise the apprenticeship brand. If we take steps forward in that regard, we can reasonably ask others to do the same.

As for funding, I will refer that matter to my right hon. Friend the Chancellor of the Exchequer who will no doubt respond to my hon. Friend personally. *[Laughter.]* I jest, Mr Davies. I will of course look at whether my Department can fund such a reception, but the hon. Gentleman cannot expect me to give a detailed commitment at this stage. Certainly, in November, we will be hosting a parliamentary reception in partnership with the NAS for exemplar apprentices, apprenticeship employers, a number of other key partners and a selection of employers who wish to recruit apprentices.

An important factor in raising the status of and demand for apprenticeships is the perception among prospective apprentices and their employers of where an apprenticeship can lead and what an apprentice can become by engaging in an apprenticeship. That is about not only advice, guidance and the aesthetics around apprenticeships, but the promotion of apprenticeships. The kind of fair that my hon. Friend ran in Gloucester and that other hon. Members are now running in their constituencies are immensely important in raising the profile of the brand and in countering some of the mis-assumptions about apprenticeships that might prevail among employers or learners.

I warmly support the 100 apprenticeships in 100 days initiatives that have been run across the country. We will look at other ways in which to promote apprenticeships. We are always keen to be innovative, creative and imaginative, and I assure hon. Members that the NAS is considering a range of ways in which to advertise the virtues of apprenticeships in every way.

Last year, we published in the national press the names of all those people who had achieved higher apprenticeships in the same way in which we publish the names of people who achieve degrees and postgraduate qualifications. That is the kind of thing that I mean when I discuss new ways in which we can celebrate success. Such ambitions have been broadly welcomed by employers as steps in the right direction. In the final analysis, the impact of an expanded and improved apprenticeships system on learners' lives and on our collective prospects for economic growth depend most of all on employers' willingness to take on apprentices. Government can only do so much. We celebrate the 85,000 employers who currently take on apprentices, and we should recognise their commitment to those people—their willingness to invest in individual futures.

[Mr Hayes]

Many larger employers appreciate just what a boost apprentices can give to a company. During the course of this year, we have seen a welcome number of larger businesses pledging to create or expand apprenticeship programmes. My hon. Friend is right to point out that smaller employers can face particular problems in that regard. It has been said by a number of hon. Members, including my hon. Friend the Member for Nuneaton, that small businesses are critical to the success of this project, and that is because they are critical to the success of our economy more generally. They are the very backbone of the British economy. Working with very small businesses to help them to deal with some of the burdens and hurdles associated with apprenticeships is a priority for the Government.

Research has shown that SMEs tend to be less aware of apprenticeships and their benefits than larger firms. I pay tribute to those SMEs that take on apprentices, which form the majority of apprenticeships. None the less, we must go further. The remedy for some of the difficulties lies with my Department and the NAS, and we are working determinedly together to reduce to a minimum, consistent with quality assurance, the bureaucratic pressures associated with training an apprentice. We have already acted to provide special help for the increasing number of SMEs, such as those in advanced manufacturing and digital industries, which require high-level skills. The 10,000 additional high-level apprenticeships will be focused largely in SMEs. We are also offering new grant funding and will support businesses coming together as consortia to build advanced and higher-level apprenticeship schemes to address skills gaps. That could include setting up new training frameworks and delivering joint apprenticeship training.

My hon. Friend the Member for Wyre Forest (Mark Garnier) made a bold bid on behalf of the Kidderminster business enterprise zone. Although I cannot comment on the detail of that, I acknowledge his well-known commitment to his constituency.

The shadow Minister spoke about the structure of schemes. There is an argument for a modular approach. We will consider that, because it is particularly relevant to micro-businesses, the virtues of which have been advertised by many Members.

It is important to recognise that employing an apprentice might not always be possible for every small business. As my hon. Friend the Member for Gloucester has pointed out, that is one good reason to look seriously at GTAs and ATAs. Such measures will help to ensure not only that we provide more apprenticeships, but that apprenticeships are available in a wider range of companies and a larger number of specialisms than ever before. That is important for rural communities. My constituents simply cannot travel long distances to large companies to do apprenticeships, which they might be able to do more easily in an urban area. Therefore, the roll-out to more companies, especially small companies, has disproportionate significance in those kinds of constituencies.

The commitment that the Government have made to apprenticeships is unequivocal and unabated. That is good news for the people and businesses of Gloucester and for people up and down the country. Apprenticeships embody everything that this Government and I personally stand for. Politics is about ideas, but ideas stripped of feeling and heartfelt sentiment are cold, arid and sorry things. My heart-felt commitment to apprenticeships is not something for which I apologise. Benjamin Disraeli said:

> "Never apologise for showing feeling. When you do so, you apologise for the truth."

The truth is that apprenticeships deliver both for our economy and for a wider social purpose. By extending apprenticeship opportunities, we will feed social mobility. This ladder of opportunity will enable the most disadvantaged to climb to highly skilled, highly paid and respected employment.

However, in the end, what we earn is less significant than what we do and what we are. The worth and purposeful pride that people gain from an apprenticeship and from acquiring a competence that has economic value are immensely important in building a society that works. Every business can play a vital part in fulfilling this vision, and I will work to ensure that the barriers in their way are pulled down. Together we can create a society where all feel valued because each is valued. I am talking about a bolder, better and bigger nation—a British future as glorious as Britain's past.

5.18 pm

Richard Graham: I am grateful to you, Mr Davies, for chairing this debate and to all the hon. Members who have participated. I am grateful to the shadow Minister, the hon. Member for Blackpool South, for his contribution and to the Minister, who believes so strongly in the cause to which all of us are so committed, for delivering his response to my debate. He has reassured us about the future of apprenticeships overall. There is a renewed focus on tackling the smallest businesses and making apprenticeships accessible to them, which can only provide reassurance to the young unemployed who are seeking opportunities from the Government.

Question put and agreed to.

5.19 pm

Sitting adjourned.

Westminster Hall

Tuesday 14 June 2011

[Dr William McCrea *in the Chair*]

Coastguard Service

Motion made, and Question proposed, That the sitting be now adjourned.—*(Angela Watkinson)*

9.30 am

Bill Esterson (Sefton Central) (Lab): It is a pleasure to serve under your chairmanship this morning, Dr McCrea. This is the latest in a long series of debates on the coastguard service and I look forward to debating it again with the Minister.

With the coastguard station, police officers, community support officers and the second fire engine under threat in Crosby, it struck me as odd that the Government had not carried out a risk assessment of the impact of such cuts on public safety. I want to look at the co-ordination between the emergency services and see how police, fire and ambulance services will carry out their duties without coastguard staff, who have immense local knowledge and years of experience. There will also be an impact on the RAF mountain rescue service, the British Transport police and the many volunteers who carry out vital rescue services up and down the country. I plan to look at the ability of other emergency services to support the remaining coastguards to carry out their duties following the cuts to their budgets.

In the spirit of "Have I Got News For You", I have brought along two guest publications. The Royal Yachting Association's members' magazine stated:

"It is clear that changes to the current system are needed to improve the safety of boaters."

Will the Minister tell us how organisations such as the RYA were involved in drawing up the original plans?

The second guest publication, *Firefighter,* is probably well known to the Minister because he has a distinguished record in the fire service.

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I would not go as far as that.

Bill Esterson: Well, he has served in the fire service.

Firefighter states:

"Voluntarism, good neighbourliness and a desire to perform 'public service' have a limited place in the fire and rescue service on safety grounds."

I raise that comment because cuts in budgets and staffing have led to the expectation that some of the work of the emergency services will have to be delivered by volunteers. The question is whether that is a safe or acceptable risk for the public. It would be helpful to see how the emergency services and public safety will be affected by the planned cuts. Coastguard staff at Crosby work closely with the police, fire, ambulance and search and rescue services.

I have a number of questions for the Minister, some of which he will be able to answer and some of which he may have to refer to his colleagues in other Departments. The proposed changes to the UK-wide service will have a huge knock-on effect and this debate aims to tease out some of the wider issues, many of which have been briefly addressed in our previous debates.

There is a disagreement between the Minister and many coastguard staff and stakeholders about whether an adequate risk assessment was carried out as part of the Maritime and Coastguard Agency plans. It would be interesting to hear what assessment was carried out of the impact on other emergency services and on their ability to continue to support the coastguard. I include in that assessment the impact of funding cuts on voluntary organisations, including the Royal National Lifeboat Institution—an organisation's ability to raise funds may suffer as a result of the economic climate—and local volunteer services such as the Southport rescue service.

I attended a consultation meeting at which more than 200 people were present, including representatives from the Southport rescue service. Concerns were raised by the shipping industry, the oil and gas sector, search and rescue volunteers and pleasure craft users. Will the Minister tell us how far those sectors were involved in the drawing up of the original plans? It is said that staff were not asked for their views, and that has been repeated right the way through this process and by many hon. Members here today. Could the Minister confirm whether the plans were drawn up by former front-line staff with no recent operational experience? Will he tell us whether the police, fire service, ambulance service and volunteer search and rescue teams were asked for their views before the plans were drawn up?

The lack of front-line involvement in drawing up the proposals is a key flaw and a matter of grave concern for hon. Members here today and the staff and public who rely on the coastguard and other emergency services. It is at the heart of the difficulty that the Government face during this process.

The way in which Ministers pushed ahead with the proposals is similar to the way in which so many other policies are pushed through by the Government—too fast and too soon. They failed to engage with stakeholders and staff and they failed to involve the other emergency services when they drew up the plans. That led to many of the flaws that have been so graphically illustrated during the consultation. It would have been far better to get the proposals right in the first place and not to have the plans systematically dismantled by staff, volunteers, maritime experts, commercial and leisure users and the general public.

Like many other places in the country, the Merseyside fire and rescue service is set to lose its marine service as a result of Government cuts. I would be interested to hear what discussions have taken place between the MCA and the fire service about the work done jointly between coastguards and river and coastal fire and rescue boats, and what the impact of the cuts will be. Has the Minister spoken to his colleagues in the Department for Communities and Local Government about the cuts in the fire service and has he raised concerns about the impact of the cuts on Merseyside and elsewhere in the country?

Did the Secretary of State for Communities and Local Government ask the Minister or the Secretary of State for Transport whether the cuts in the fire service would have any effect on the coastguards and what the impact would be on public safety? These questions would have been addressed if the fire service had been asked to help draw up the plans for the coastguard.

[Bill Esterson]

Co-ordination between rescue services would have helped to deliver changes without compromising safety. This story appeared in the *Liverpool Echo* on 5 March:

"Four people had to be rescued from a pilot boat that caught fire on the River Mersey today. The alarm was raised at around 3:10 am that the crew of the Dunlin were drifting in the river after the fire knocked out the engine. The New Brighton RNLI boat was launched to save the people onboard, who were transferred to another pilot boat, the Petrel. Firefighters tackled the blaze on the water before the stricken Dunlin was towed back to the landing stage at the Pierhead. The fire crews finished dampening the smouldering boat down at around 6 am. No-one on the Dunlin was hurt."

There is praise there for the RNLI and the fire service, but after the cuts, will the RNLI have the contacts to respond? Will the coastguard be able to direct the RNLI or another rescue team to the scene in time?

David Simpson (Upper Bann) (DUP): I welcome you to the Chair, Dr McCrea, and I congratulate the hon. Gentleman on obtaining this debate. Does he agree that the whole issue around the coastguard stations has opened a real hornets' nest in a number of regions? In Northern Ireland, the Bangor station is causing something of a controversy. Does he agree with the First Minister in Northern Ireland when he said that reducing the Bangor station—the only coastguard station in Northern Ireland—to a daytime service would have a significant effect on the levels of service and rescue?

Bill Esterson: The hon. Gentleman makes his point well. His example ties in with the concerns that I was expressing about the co-ordination of rescue services and about getting them to the scene in a timely fashion.

That point was illustrated by the example I gave concerning the Dunlin which suggested that a combination of organisations work together to effect speedy rescue services; that all of them are affected by Government plans; and that all of them have raised questions for a variety of Government Ministers. I hope that we will start to get some answers from the Minister today.

The suspicion remains that the reorganisation has been rushed and that the cuts to police, fire, ambulance and voluntary agencies that provide an emergency response have also been rushed. The cuts to all the emergency services are possibly the worst example of cuts that are happening too fast and too soon, as they will undermine the ability of the emergency services to protect the public.

The issue of local knowledge applies to all emergency services. When discussing co-ordination of emergency services, it becomes a critical issue. The loss of Crosby coastguard station would mean that the police and fire services, working with search and rescue volunteers, would be ever more crucial in identifying where incidents take place. The cuts to police, fire and voluntary organisations mean that those organisations will not be in a position to provide a replacement service for the coastguard service. That brings me to another question that I want to put to the Minister—how will that replacement service be provided? I would like an answer to that question.

The Government must now come clean on the estimates that they have made about the increased time that it will take to reach maritime incidents as a result of these closures. If the coastguard at Crosby goes, if the local fire service loses its river service and if the funding for the RNLI and other voluntary rescue services is under pressure, what will happen in incidents such as that involving the Dunlin? How will co-ordination of services happen in future? What assessment was carried out before the proposals were published? Was the RNLI asked to help draw up the plans? Did the Minister ask his ministerial colleagues about the impact of cuts to organisations such as the RNLI and whether the funding of such organisations would be affected by the slow-down in economic growth that has resulted from the Chancellor cutting public spending?

Mike Penning: Evidence was given to the Transport Committee the other day by the RNLI, but what evidence is there of any cuts in the RNLI services anywhere in the UK and southern Ireland? If there is no evidence, the hon. Gentleman is scaremongering and frightening communities around the country. There is no evidence at all.

Bill Esterson: I am glad that the Minister has asked me that question, because it highlights the fact that that was the sort of issue that was not considered when the plans were drawn up. The reason that I raise the issue is—

Mike Penning *indicated dissent.*

Bill Esterson: The Minister can shake his head, scowl and express his dissatisfaction all he wants. However, the reality is that in a downturn—in tough economic times—charitable giving falls. He must know that; I think that everyone in Westminster Hall today must know that. I am interested to know what assessment was made of the impact of the downturn, not only on the RNLI but on all the voluntary organisations that provide emergency services. That is the key question and I had hoped that I had asked it clearly before.

Mike Penning: The specific point that the hon. Gentleman is making is that there are likely to be cuts in the service of the RNLI. The RNLI gave evidence to the Transport Committee only the other day and I myself have met local and national representatives of the RNLI on numerous occasions, and there is absolutely no evidence that such cuts will happen. To suggest that they are likely is scaremongering. As I say, I have met the relevant bodies and the Select Committee has taken evidence on this subject, so the hon. Gentleman must not scare the public by saying that there will be cuts to RNLI services.

Bill Esterson: I do not need lectures from the Minister about what I must and must not do. He should really think through what he is saying before he makes that sort of comment, because I am asking questions about the kind of assessment and analysis that was carried out about the impact of these plans, and about the process that was gone through when the original proposals were drawn up. This issue is of grave concern to many staff, many members of the public and many people who rely on the coastguard. It is about what analysis was done on a range of issues related to the ability of all the emergency services to protect the public. I am asking about that.

I say again that in a downturn—in tough economic times—charitable giving falls. We have already seen evidence of that. I do not know what the situation is with the RNLI. That is why I am asking the Minister about the RNLI. It is a very important question and I would be very worried if the Minister did not consider it so.

Albert Owen (Ynys Môn) (Lab): I will declare an interest. I am a member of the council of the RNLI, so I know that there really are concerns about charitable giving. Obviously, that issue is separate from the issue of the Government plans. However, the evidence given to the Transport Committee inquiry—this was said very clearly—was that in the consultation about these cuts only about four or five of the hundreds of RNLI stations across the country gave evidence. Privately, many RNLI members are concerned about the level of cuts and the disappearance of local knowledge. That is a fact. If anyone talks to RNLI members, volunteers and full-time crew members, they will find that they are concerned about the impact that these cuts will have on local knowledge and on their operations.

Bill Esterson: My hon. Friend has addressed some of the wider issues that the Minister raised with me. I had been looking at the issue of funding, and we have heard evidence that there is concern about that issue. The point that I was making was about the way that the Government proposals were drawn up, but my hon. Friend makes a much wider point about the impact of the loss of local knowledge and the concerns that the RNLI has raised about that issue. I think that we will discuss local knowledge in greater depth shortly.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Regarding the wider point about the RNLI, I have long-held reservations about the way that the RNLI has gone about this process of consultation. Local crews have felt that they have not been able to speak out publicly and have had to go through RNLI channels. I know people who work on lifeboats who have plenty of opinions on this subject, but their opinions have not actually been fed through the RNLI. Actually, because of the process that the RNLI has gone through, I would say that the RNLI evidence is incomplete and it could have been stronger if there had been greater input from certain crews in certain areas. I will put it no more strongly than that.

Bill Esterson: I welcome the points that the hon. Gentleman makes and I hope that the Minister will take them on board.

I make the point that this issue is not just about the RNLI; it is about other voluntary rescue services too. I mentioned the Southport coastguard services, members of whom I met at the consultation meeting recently. There are other services in the Crosby area and of course around the UK that carry out these rescue services. They all make similar points about co-ordination and the loss of local knowledge and expertise; they are extremely worried about that loss. In addition, they all make the same point about funding. That is why I am asking about funding—it is an important question. Neither I nor the people I have listened to feel that that has been considered.

Mr Robert Syms (Poole) (Con): I represent the RNLI headquarters; it is in my constituency. I had a meeting a couple of months ago with the chief executive of the RNLI, Paul Boissier. I just want to make it clear that he is an ex-admiral and an ex-commander of a nuclear submarine. The head of the Maritime and Coastguard Agency is also an ex-admiral. They talk regularly and there is no holding back of views. The RNLI is in dialogue with the MCA all the time. If there were any general concerns, we would know about them. The RNLI is not holding back. There is a dialogue and a good relationship with the MCA. The RNLI wants the best service possible, so that the people who risk their lives every day can actually get out there and save lives.

Bill Esterson: I welcome the hon. Gentleman's intervention. It is very important that there is communication at the top of the organisations involved. However, I think that everybody would accept that communication happens at many different levels and one of the main concerns about the way that these proposals have been put forward is the lack of involvement of front-line staff in the process of drawing them up. So, I am grateful to the hon. Gentleman for making that point about top-level communication and I accept that point, but we also need to look at issues right the way through the organisations involved and around the UK, because the RNLI is not just one organisation in one area with one central structure. It is much more of a devolved organisation than that.

Sheryll Murray (South East Cornwall) (Con): On the point about funding, on Saturday I met my volunteer lifeboat men in Looe who have just raised an enormous amount of money in a very short space of time for the provision of a new vessel. I must make it clear that there may not have been the impact on RNLI fundraising that the hon. Gentleman has suggested. However, there is a lot of concern among the people working at the sharp end that the proposals will adversely impact on their doing their jobs and on marine safety, and that needs to be put on the record as well. The hierarchy might be putting a particular message forward, but that is not what we are hearing at the coal face.

Bill Esterson: The hon. Lady speaks from tremendous personal experience, and I know that all Members recognise her involvement in the matter and the sadness around the loss of her husband. I pay tribute to her involvement in putting the case for the coastguard. She has made a very good point about the RNLI, and I am pleased to hear the evidence about fundraising—that is very important. The reason for my question is to tease out that sort of information and to look at the wider impact.

I have raised the issue of the impact on the fire service, and my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) has submitted a series of written questions about cuts to the maritime incident response group by the Maritime and Coastguard Agency. Does the Minister have any further information on that?

Many Members have expressed concerns about how the plans were drawn up. The maritime industry was asked for its views about pleasure craft users and the fishing industry, but was it asked about the impact of the cuts in fire, police and ambulance services and about the loss of the ability to co-ordinate services?

[Bill Esterson]

On the police, Merseyside police authority says that it is not recruiting new officers. It expects to lose 480 officers over two years, and its budget for community support officers ends in two years' time. The *Liverpool Echo* estimates that up to 800 front-line officers will go over four years, and across England and Wales the figure is 12,000 over two years. Has the Minister discussed with the Home Secretary the impact of such job cuts in the police service? How will police officers replace the relationships they have built up with coastguards, and will police officers be available to cover some of the work done by coastguards and search and rescue volunteers who tell us that they will call it a day because of fears for their own safety without the co-ordination of trusted, local coastguards with years of experience? If the Government perform the U-turn that they should, what will happen to the joint working with police and fire services anyway?

I have asked many questions about co-ordination, about the impact of the MCA plans on police, fire and voluntary emergency services connected to the coastguard, and about the effect of the cuts on the ability of emergency services to support the coastguard, whether or not the Government close most of the coastguard stations. The more I investigate the matter, the clearer it is that this is yet another issue governed by pound signs rather than by efficiency, putting saving money before saving lives. A recent *Crosby Herald* article stated that the original review had excluded Crosby coastguard station in my constituency. Crosby was hastily reinserted, however, when Ministers were reminded that the work force there were well organised and would almost certainly put up a fight. That is the view of staff and of local people. The suggestion is that the consultation was a sham and that Crosby was going to be closed whatever the outcome. We will clearly see before very much longer whether that is true.

I am sure that the Minister will remind me of his visit to Crosby. He told staff there that the coastguard was like the fire service and that he, as a firefighter, did not need to be told where the fire was. It was pointed out to him that along the coast of north-west England there are many mud and sand banks, but no roads, and creeks and gullies with similar names, and that it could easily take someone who did not know the area many minutes to identify the correct location to which to send search and rescue. A delay of a few minutes could well cost lives.

My questions today suggest that if a coastguard station closes, the lack of local knowledge could become even more critical because of the cuts to other emergency services. The coastguard, the other emergency services and the public all need assurances that the Government's plans for the coastguard are not one of their many political cuts, and that they will reconsider the proposals. The reality is that the coastguard cuts, along with the cuts to the other emergency services, go too far and too fast. They have not been planned or thought through, and they should be reversed.

9.54 am

Sheryll Murray (South East Cornwall) (Con): I congratulate the hon. Member for Sefton Central (Bill Esterson) on securing the debate. I am pleased that we are looking at the co-ordination role of the coastguard co-ordination stations, which has not always been focused on in other debates, and at their role in overseeing incidents at sea. It is the local coastguards who pull together the emergency services during an incident and who, over many years, have built up relationships with those services. We remove that local relationship at our peril.

I firmly believe, as did my late husband, that there should be modernisation of coastguard equipment to allow, for example, the position of vessels transmitting with the voluntary class B automatic indicator system to be identified easily, but that there should be no cull of marine rescue co-ordination centres. Because of my personal position, I have received representations from concerned sea users all over the country, but it is appropriate for me to concentrate on my own area.

The marine rescue co-ordination centre in Brixham covers my constituency of South East Cornwall, and has built up unique experience from so many incidents over many years. The search and rescue area covered by Brixham stretches from Dodman Point halfway along the south coast of Cornwall to Exmouth in Devon, and it is essential to emphasise something I am sure the Minister will recognise and agree with—that local knowledge of topography saves lives. The care that I was afforded on 25 March by Looe RNLI crew and Brixham and Looe coastguards was beyond anything I could have expected, and I thank all those involved in the emergency services, and indeed the south-west fishing industry, for their kindness.

This past Saturday I spent time with my local RNLI personnel and my local volunteer coastguards, who are all concerned about the Minister's proposals. They feel that he has not had the opportunity to speak to people who operate at the sharp end, and I would like to invite the Minister to visit Looe—if his busy schedule allows it—to hear for himself their concerns.

Some examples of co-ordinated sea rescues undertaken by Brixham are the Santa Anna, the MV Willy, the MV Kodima, the Ice Prince, the Kukawa and the Bothnia Stone.

Anne Marie Morris (Newton Abbot) (Con): Would I be right in saying that Brixham dealt with 1,300 incidents in 2010, saving 300 lives? Its work is absolutely valuable. When we talked about introducing technology, we said that we would move to a paperless society, but we have not, and although technology undoubtedly has a place—we need modernisation—without local knowledge we will not save the numbers of lives that we have done in the past.

Sheryll Murray: I completely agree with my hon. Friend. I was coming on to the number of incidents. As far as technology goes, it was only last Wednesday that the London ambulance service system failed, and it was recording emergency calls with pen and paper.

The incidents involving MV Willy and MV Kodima both happened off the coast of my own county division, when I sat on Cornwall county council. I witnessed at first hand the superb co-ordination provided by the Brixham marine rescue co-ordination centre, with the marine emergency rescue organisations and the Cornwall fire service and its emergency planning department. I doubt that the Minister has experienced that unique

way of working within a coastal fire and rescue service, but I appreciate that he has absolute expertise as far as an inland fire and rescue service is concerned.

I would like to highlight in more detail three incidents in which Brixham MRCC has been involved in co-ordination with other emergency services. The first occurred just before midnight—that is, outside daylight hours—on 13 January 2008 and involved the Torbay and Salcombe RNLI lifeboats, coastguard rescue helicopter India Juliet, HMS Cumberland and several merchant vessels. They proceeded to merchant vessel Ice Prince, with 20 persons on board, 27 miles south-east of Start point after its cargo shifted in heavy weather and it began to list to port. The vessel was abandoned by 12 crewmen, one with a suspected broken leg, and they were airlifted to Portland by helicopter. The remaining eight were rescued by Torbay lifeboat and conveyed to Brixham. A French tug attended the scene, and damage was assessed in daylight.

The second incident occurred on 11 October at 8.38 am and involved a missing person. Brixham took broadcast action and tasked the warship Westminster and coastguard helicopter R106 to assist the French coastguard at Cross Corsen in a mid-channel search for an 80-year-old male reported missing from passenger vessel Balmoral.

Finally, on 10 February this year at 6.43 pm—again, outside daylight hours—Brixham coastguard received a mayday distress call from fishing vessel Amber J reporting that fishing vessel Admiral Blake had collided with MV Boxford approximately 30 miles south of Start point. The Amber J reported that two crewmen from the Admiral Blake had entered the water and only one had been recovered. Salcombe RNLI's all-weather lifeboat, coastguard rescue helicopter 106 from Portland and Royal Navy helicopter 193 were tasked to search for the missing crewman. After a mayday relay, numerous vessels assisted in the search, along with a rapid rescue craft from the Boxford. After a brief search, the missing crewman was located by the Boxford's rapid rescue craft, winched aboard the coastguard rescue helicopter and taken to hospital. Rescue helicopter 193 stood by while the Salcombe lifeboat assessed the damage to the Admiral Blake. After the damage was assessed and controlled, the Admiral Blake was towed back to Plymouth, where the Plymouth lifeboat met the vessel and took her into port. That shows essential local partnership working among our local coastguard stations at the moment.

Complicated incidents at Brixham have increased year on year since 1998, when 767 incidents were recorded. In 2002, there were 903 incidents, in 2003 there were 1,025, in 2009 there were 1,324 and last year there were 1,355. Of greater concern is the fact that this year, there have already been 546 incidents, an increase of 90 from the same period last year. I acknowledge that, taken at face value, the number of incidents at Falmouth appears higher, at 971. However, that can be broken down into 233 incidents similar to those that I have just described and another 738 that occurred under the international global maritime distress safety system. Some of those incidents might have been search and rescue, but others would have been passed to the relevant MRC centre to deal with.

I am afraid that I must take issue with the Minister's comments about Falmouth's international role during a debate on 2 February this year. He said:

"Falmouth is internationally renowned for its international rescue capabilities. If we have a problem in Falmouth, where does that get picked up? Nowhere."—[*Official Report*, 2 February 2011; Vol. 522, c. 320WH.]

He is clearly unaware that Brixham takes over GMDSS when Falmouth suffers an outage, and has taken over the system every Thursday for the past 12 months. Perhaps he will take the opportunity when he speaks to correct the statement that he made in February. It would also be interesting to hear from him whether there have been any incidents in which both stations in a pair have gone down at the same time.

As I am sure the Minister knows, Falmouth was allocated GMDSS due to its proximity to Goonhilly Downs satellite earth station, which has closed. Many incidents are subsequently passed on to other coastal co-ordination stations, and it is unfair of him to include them in the number of incidents dealt with by Falmouth alone.

I am disappointed that the Minister chose to describe Brixham and Falmouth as "ridiculously close" during the Adjournment debate last week. In fact, Brixham and Portland, Milford and Swansea, Thames and Yarmouth, Portland and Solent, and Forth and Aberdeen have fewer road miles between them, and if we measure as the crow flies, we can also include Holyhead and Liverpool on the list. Does he consider those stations to be ridiculously close?

Brixham MRCC is bought and paid for. We now need to cover only the station's running costs. It contains an operations co-ordination room, an emergency planning room, a coastal safety manager's office, a sector manager's office, coastguard rescue equipment for the Berry Head rescue team, a coastguard rescue emergency vehicle, a marine surveyor's office, a coastguard training office for the region and an aerial site, and it still has space to expand. Brixham has been approached to lease a whole floor to another emergency service for its offices and operation area. If the property is sold, new premises will need to be found and bought for all of the above.

Mr MacNeil: The hon. Lady is making a fantastic speech. It underlines the fact that the more we find out about the Maritime and Coastguard Agency's plans and the more detail emerges, the more concerned I become, as I am sure do other hon. Members, about what the MCA was thinking when it first took its plans to the Minister. I am sure that he would not have started the process if he had known the sort of detail that the hon. Lady has described.

Sheryll Murray: I am absolutely certain that my hon. Friend the Minister has the best intentions, and that he does not intend to make savage cuts to the best rescue service in the world.

Brixham is the busiest fishing port in England. It has the third highest number of leisure vessels registered on CG66, the voluntary safety identification scheme, at 2,200, and that number is increasing daily. It has a search and rescue area and is a popular holiday destination. Brixham has unique expertise in UK search and rescue. Due to its position along the busiest shipping lanes in the world, it has gained unique search and rescue expertise from incidents such as those that I have listed.

I end with a message that I hope the Minister will accept in the spirit in which it is given. He says that we will not end up with the proposal outlined in his consultation document, and I welcome those words. However, he

[Sheryll Murray]

must accept that by issuing a five-year-old proposal that takes massive cuts as a starting point, he has effectively moved the starting line as well as the goalposts. Coastguards all around the coast have told me that their response would have been different if they had not been working with a proposal to cut MRCC numbers and hours so drastically. That is why it is essential that we start with a blank sheet of paper.

No one knows better than I how dangerous the sea is and how important it is to co-ordinate all rescue services locally when an incident occurs at sea. The proposals remind me of 1994, when two fishermen lost their lives off the Cornish coast, below a recently closed coastguard post, and local people decided to open and restore the visual watch. That could not happen once we lose our marine rescue co-ordination centres around the coast, because they are professional. I make a plea to the Minister to think again about the closures. He has used examples of other nations operating with fewer stations, but has failed to mention that in those countries the coastguards operate in different ways, with different responsibilities. Yes, modernise, and yes, have better equipment, but please do not destroy the best coastguard service in the world.

Dr William McCrea (in the Chair): I congratulate the hon. Lady on her courage in taking part in this debate. Several Members have indicated that they want to speak and I would like to get as many of them in as possible. However, we have to commence the winding-up speeches at 10.40 at the latest. I am, therefore, in the hands of the Members that I will call.

10.11 am

Ms Margaret Ritchie (South Down) (SDLP): I congratulate my hon. Friend the Member for Sefton Central (Bill Esterson) on securing this debate on such an important topic. My constituency of South Down in Northern Ireland has two fishing ports, so I know just how important the Bangor coastguard station is. I know of the necessity of maintaining a service that has developed a comprehensive knowledge of our seas. It is important that we keep the coastguard station in Bangor to protect those who use the seas around the island of Ireland, and those who use our coastal and inland waterways, including, in the case of Northern Ireland, those who use inland locations and are subject to search and rescue. Many of the people involved and those in other emergency services risk their lives to protect not only those in the fishing industry, but people involved in recreation and tourism.

The Government will announce their decision by 19 July and it is fair to say that the process has been marked by uncertainty for many people throughout Northern Ireland. Such uncertainty must give cause for concern regarding the outcome. The Government now seem to be re-evaluating and rowing back from their initial proposals. It is clear that they underestimated the value of the local knowledge developed over time by our vastly experienced coastguard personnel, and that they were prepared to risk losing this vital asset. I ask the Minister: was that really the purpose of the Maritime and Coastguard Agency's proposals, or did it have better thoughts at heart about protecting the service?

It is vital that the Minister and the Government listen to those experts who have spoken up during the consultation and arrive at a decision that safeguards those who use our waters. I and other hon. Members from Northern Ireland believe that there is a duty to protect our coastguard station in Northern Ireland and to ensure that it can operate at full-time capacity. I recently attended a meeting hosted by the hon. Member for North Down (Lady Hermon) in Bangor, which the Minister, along with the Secretary of State for Northern Ireland, also kindly attended. It was made clear to the Minister, via a range of robustly made proposals by staff, that it was possible to retain the coastguard station in Northern Ireland on a full-time basis by using other measures and means. I and other hon. Members from Northern Ireland would like to hear the Minister's response to those proposals in advance of the final outcome, because it is particularly important.

The other key point is that the Bangor coastguard station co-ordinates closely with the Irish coastguard. We would, therefore, lose out on that vital resource for protecting all of Ireland's waterways. I recently had the opportunity to raise the issue with the Taoiseach—the Irish Prime Minister—and it is clear that closing or downgrading the Bangor station would be a great loss not only to the people of Northern Ireland, but to the people of the Irish Republic. Indeed, it is our coastguard that is nominated by the Irish Government to respond in the case of an emergency off the Donegal coast. It cannot be overlooked or ignored that our service operates on a cross-border, north-south basis on the island of Ireland.

Another difficulty in shutting the service and depending on a coastguard station in Liverpool—I use these words with caution, considering the comments of my hon. Friend the Member for Sefton Central—is that the island of Ireland operates with the Ordnance Survey at the point of origin, which is totally incompatible with the English mapping system. That is another reason why we need a full-time coastguard station in Northern Ireland.

All those concerns have been reflected during the consultation process. Indeed, I am reminded of the words of the chairman of the North West mountain rescue team in Northern Ireland, who expressed concern that the closure of the station would adversely affect the relationship between the Northern Ireland coastguard and the Irish Republic.

Naomi Long (Belfast East) (Alliance): The hon. Lady has referred to the fact that the Northern Ireland coastguard also covers Donegal, but part of the reciprocation for that is access to the Irish Republic's search and rescue helicopters. Does she share my concern that a breakdown in those closely maintained relationships on the island of Ireland could cause political difficulties and jeopardise some of that close co-operation?

Ms Ritchie: I thank the hon. Lady for making that important point. I discussed the issue with the Taoiseach last week. He mentioned the need for greater north-south co-operation and made the point that the proposals could jeopardise services and the reciprocal agreement, which is vital for the running of an important maritime rescue service on the island of Ireland.

The chairman of the North West mountain rescue team said:

> "The local knowledge and the rapport the NI coastguard have with the Republic's coastguard means that we get a very effective and efficient service and I would doubt that would happen if that local knowledge disappeared."

There is no doubt that, if the service disappeared, that would jeopardise that vital north-south arrangement on an inter-governmental basis.

Mr MacNeil: I note the hon. Lady's words on efficiency but, over and above efficiency, this is a maritime insurance policy. Sometimes, we have to be careful that we are not spoiling the ship for a ha'penny worth of tar. We have to make sure that when something is needed it is there and that we do not dismantle it beforehand. In that respect, it is important that we keep Liverpool, Bangor, Clyde, Stornoway and Shetland. Losing Oban a few years ago has had its own knock-on effects and I am sure that that will come through in the inquiries that are going on at the moment. I reiterate the importance of keeping those stations and the fact that this is an insurance policy over and above efficiency.

Ms Ritchie: I thank the hon. Gentleman for that vital intervention. He raises the serious point of co-ordination throughout the British isles. That should be taken on board and given due recognition during the whole consultation process. I hope that the Minister will respond to that particular point in an apt and empathetic way.

In conclusion, the courage of those who devote time to rescue efforts on our shores must not be taken for granted by Government. The Bangor centre is the only full-time station in Northern Ireland and its funding must therefore be protected. As we approach the end of the consultation process—it is one month away—we must end the current state of confusion. I strongly urge the Minister to respond in a helpful way to those officials in the Bangor coastguard station who have suggested strong and compelling proposals to safeguard the service for the people of the island.

10.19 am

Mr Alan Reid (Argyll and Bute) (LD): It is a pleasure to serve under your chairmanship this morning, Dr McCrea. I congratulate the hon. Member for Sefton Central (Bill Esterson) on securing the debate and on giving us another opportunity to demonstrate the strength of feeling there is about the coastguard service.

The Government are, of course, right to consider ways of modernising the coastguard service—they must constantly look at options for improving all their services—but I want to draw their attention to my concerns about the closure of the Clyde coastguard station in Greenock, which is just outside my constituency. The tragic early death of David Cairns means that Greenock does not have a Member of Parliament at the moment, but it is incumbent on hon. Members such as myself and the hon. Member for North Ayrshire and Arran (Katy Clark), who secured an Adjournment debate last week, to point out the importance of the Greenock coastguard station to the west of Scotland.

My constituency has many islands and peninsulas, which means its coastline is longer than that of France and that the Clyde coastguard station has a longer coastline than any of the coastguard stations to look after. Islands, peninsulas and sea lochs create a wide variety of currents and sea conditions, which is one reason why local knowledge is very important. The most spectacular area is the giant whirlpool in the Gulf of Corryvreckan. If I may put in a tourist plug, that is well worth going to see. In addition, as my constituency is on the west coast, its coastline is regularly battered by severe storms. All those factors make local knowledge very important.

I also want to stress the importance of local knowledge in differentiating between different places that have the same name. On the islands and the mainland of the west of Scotland, a large number of places are called Tarbert because Tarbert means a narrow neck of land in Gaelic. It would be easy for someone not familiar with that to send the rescue vessel to the wrong place. It is also important to be able to differentiate between, for example, East Loch Tarbert and West Loch Tarbert. They are only a few hundred yards apart as the crow flies, but one is on the Clyde and one is on the Atlantic, so it is very important for someone to know the difference between the two.

Mr MacNeil: The hon. Gentleman mentioned East Loch Tarbert and West Loch Tarbert and said that one is on the Clyde and one is on the Atlantic. I would argue, of course, that one is on the Minch and one is on the Atlantic, but I am talking about the island of Harris.

Mr Reid: That is correct. There are plenty of other places called Tarbert, including one called Tarbet without an "r." It would be very easy to get confused.

Those seas are sailed by a wide variety of different kinds of ships: for example, cargo ships, cruise liners, ferries, fishing boats, naval vessels—both surface and submarine—fish farm support vessels and leisure craft, in which there has been a significant increase. In addition, in the coming years, an increasing number of vessels will support offshore renewable energy installations. Over recent years, there has been a huge increase in the number of leisure craft of all kinds and it is important to remember that most of them are crewed by amateur sailors. If an incident should occur, inexperienced amateur sailors are obviously more of a challenge for coastguard staff to deal with. There are many new marinas around the coast and there will be a vast increase in leisure craft in the years to come.

Clyde station has 41 coastguard rescue teams under its control, and seafarers have received a first-class service from the Clyde coastguard station over many years. Once the Government have had an opportunity to consider the responses to the consultation, I hope that they will recognise the unique challenges posed by the area served by the Clyde coastguard station and that they will keep it open to retain the valuable local knowledge that exists. It is important to point out that, if staff are forced to relocate to Aberdeen, as appears to be the case from the Government's proposals, that is well over 100 miles away and many staff will not be able to do so, either for family or financial reasons. Valuable local knowledge will therefore be lost.

One positive part of the Government's proposals is that there will be a significant increase in the number of regular coastguards who will be supporting Coastguard Rescue Service volunteers. It would make sense to spread

[Mr Reid]

those regular coastguards across the country to minimise their travel time to where the volunteers are based and to ensure that they have contact with local emergency services. It is important to stress that getting to the remoter parts of Argyll takes a long time even from Greenock. The journey would be even longer if the support staff were travelling from Aberdeen to remote parts of the west coast all the time.

I am aware that the lease for the Clyde station comes to an end in 2012. That appears to be a major consideration in the reasoning behind the Government's decision to close the station.

Mr MacNeil: Was the hon. Gentleman as surprised as I was when I mined into the MCA's proposals and realised that, as he is saying, the lease of Clyde station is coming to an end? When I first spoke to the MCA, it was apparent from the outset that the prime driver for the decision on the Clyde station was real estate and not maritime safety. I am grateful to the hon. Gentleman for highlighting that.

Mr Reid: The hon. Gentleman is right. Real estate considerations should not be paramount. Safety should be the prime consideration and the fact that the lease is up for renewal should not be a major factor. I am sure that there are plenty of buildings that the Government could secure in the Greenock area if they wanted to continue to have a coastguard station in that area. I hope that the Government will secure further premises.

For all those reasons, the most important of which is local knowledge, I hope that the Government will recognise the importance of the Clyde coastguard station and realise that they do not want to lose its staff's experience and expertise. I hope that they will reflect on the consultation and will agree to keep the Clyde coastguard station open.

10.26 am

Albert Owen (Ynys Môn) (Lab): Thank you, Dr McCrea, for calling hon. Members from all four nations to make a contribution this morning. I join you in paying tribute to the hon. Member for South East Cornwall (Sheryll Murray) for her contribution to the debate and for the courage she has shown not just today but over the year she has been a Member of Parliament. When I have been in the Chair, I have seen her contributions to debates on fishing, coastguard and coastal issues. She brings experience, knowledge and a forthright and honest opinion that we need in such discussions.

This is an important debate. The linking and co-ordination between the coastguard and other emergency services is just as important as the coastguard's internal co-ordination among the different stations. It is absolutely vital that that happens. I welcome the fact that the Minister has been listening through the long debates we have had since December and that the Government are prepared to pause and to look again at the proposals and the consultations. That is what we were calling for originally, and I think we have achieved that.

If the Minister had taken up my offer of coming to Holyhead station, he would have been very welcome. He could have seen at first hand not just the best practice of that coastguard station, but the co-ordination with other emergency services that takes place. Throughout the process, I have argued that, as a local station, Holyhead is strategically important to the whole of the Welsh coastline and, indeed, the Irish sea. The hon. Member for South Down (Ms Ritchie) talked about the Irish link. That has been very important for Holyhead and RAF Valley. I want to talk about the search and rescue at RAF Valley, which is the headquarters of search and rescue for the whole of the United Kingdom. It moved there from a different part of the country because of the strategic importance of Anglesey to the whole of the United Kingdom—it is equal distance from many places in the north and the south—and also to the west in Ireland. Search and rescue at RAF Valley has been involved in scrambling to some very important rescues and incidents.

It is important and timely that we have this debate in an open and honest manner because although we are all talking about local knowledge and our local stations, we have been mindful—I pay tribute to every Member who has taken part in such debates since December—not to put down other coastguard stations. We have stressed the importance of our own areas and their strategic importance to the whole coastguard family in the United Kingdom.

In the short time available, I just want to give the Minister a few examples—I appreciate that we are rushed for time, otherwise I would have elaborated further—of the strategic importance of Holyhead in terms of search and rescue and the Royal National Lifeboat Institution. On the record, I have to say that I speak regularly—on a weekly basis—with members, crews, volunteers and full-time crew members of the RNLI and that, as I indicated, I am a member of the RNLI's general council. They are concerned that they did not get the opportunity to have their views put openly into the system, but that they were channelled through the RNLI. As I said, and as was pointed out in the evidence session to the Select Committee, only four or five out of 100 RNLI stations took part in the consultation. We have not, therefore, had a true flavour of the opinions of the RNLI.

Naomi Long: In Northern Ireland, many of those who work for the coastguard also volunteer for the RNLI, so the loss of personnel would have a direct implication for RNLI services.

Albert Owen: The hon. Lady makes an important point. Some people volunteer for both, or have members of their family who are in each of the emergency voluntary services. I want to echo the importance of that co-ordination. Time saves lives. Sir Alan Massey, the chief executive of the MCA, has said that there would be some time delay—he has been honest enough to acknowledge that. That could translate into the loss of lives if local knowledge and expertise is gone due to the closure of local stations.

We all want a modernised MCA with improved technology for the 21st century, but that must not be at the expense of closing local stations and losing local knowledge. I have been consistent in making that argument for many years. When my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) was the Minister and was given advice by the MCA, he carefully and

rightly ignored it to an extent—not all of it—because this needed to be done properly. We now have an opportunity for a proper and open debate to look at all these issues. The consultation paper and the proposals, which the Government produced jointly with the MCA, did not allow that to happen. We have moved beyond that and we are having a better informed debate. The Government and the Minister can now come to the right decision, which is to retain the best coastguard services we have, retain local knowledge and enhance it with new technology and the best station personnel. They must improve the confidence, morale and abilities of station personnel, but also the co-ordination with the other emergency services, which are facing tough times themselves. As the Minister knows, the future of the search and rescue service has been put on hold and there is uncertainty. That causes great anxiety not just among the search and rescue people within the RAF, the MCA and the Royal Navy, but in the RNLI and other services—the family of search of rescue.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Does the hon. Gentleman agree that public expectation and public confidence is critical to the Government's overall direction of travel?

Albert Owen: Absolutely. I echo the point, made by hon. Members in their speeches and interventions, that the coastguard service personnel, volunteers and full-time, and the RNLI are important members of those communities too. They have strong links with other emergency services.

For the benefit of the Minister and the shadow Minister, I would like to highlight the link with the fire service. I recall a ferry adrift in Holyhead which had 1,200 to 1,400 people on board, and which had lost control. The local knowledge of the coastguard got the fire service there immediately. I have taken part in exercises with the fire service. I do not have the time to go into it, but of course the ship's crew think that they tackle things better and that the firemen just get seasick when they come on board the vessels, and the firemen think that they do things better. The serious point is that there is regular dialogue and liaison between those important services. That could be—I believe would be—lost if we closed local stations and lost local expertise and knowledge. Time saves lives, and I think that the Minister understands that and wants to move forward. I want to work with him, and with other hon. Members, to have those strategic, important coastguard stations enhanced to do the job for the 21st century.

10.34 am

Mr Robert Syms (Poole) (Con): I congratulate the hon. Member for Sefton Central (Bill Esterson) on securing the debate. I also congratulate my hon. Friend the Member for South East Cornwall (Sheryll Murray), who gave what I know was a difficult, but well-heard speech.

I understand the great concerns that we have heard today. We have had numerous debates and that is why the Government are having a consultation—to hear what people say not only from this House, but local areas. I suspect that at any stage when there has been modernisation or change of the coastguard service, whether 20, 50, 70, or 100 years ago, one might have had similar concerns. The way of the world is that, years ago, we needed a lot more stations than perhaps we need today. With technology, the upskilling of the service and having to move people through a career path, there has to be change. I understand, however, that local knowledge is an issue. Indeed, Sir Alan Massey acknowledged that local knowledge has to be a key concern. I am sure that when the Government look at the consultation, that will be a key point in what they eventually decide to do.

I have really risen to make a plug for the RNLI, which I am glad has already been plugged by a number of hon. Members. It is a phenomenally good organisation with a wonderful ethos. We are very lucky, as a nation, to have an organisation that raises money, as a charity, to provide a vital service that has saved 139,000 lives since 1824. There were concerns about its income. I think that that income is holding up reasonably well, which is partly due to how people feel about the lifeboat service. Even in southern Ireland, the bucket tin collections are holding up well. Given its economic problems, that is a phenomenal tribute.

The lifeboats have had to amend and change, not least because as a nation we had a large merchant navy, fishing fleet and Royal Navy. Many people who now man our lifeboats are landlubbers who have to be trained. Poole has very good training facilities, where people can experience wave machines and go through a simulation of saving at sea. I do not want to say very much more, in order to let the hon. Member for Belfast East (Naomi Long) speak. The RNLI is a phenomenal organisation. It is very well managed and organised. The fundraising is good, and people's commitment is tremendous. This is a really dangerous job. There is a memorial outside the headquarters in Poole that lists all the lifeboat men who have died, and I was privileged to be there when that opened. The organisation has a very good outreach to many of the families who have lost loved ones in lifeboat disasters—it keeps in touch. I cannot speak highly enough of RNLI, and I think that all hon. Members appreciate what it does for our nation.

10.37 am

Naomi Long (Belfast East) (Alliance): I thank the hon. Member for Poole (Mr Syms) for being so generous in allowing me some time to make a few points. I thank the hon. Member for Sefton Central (Bill Esterson) for securing the debate. Rescue co-ordination in Northern Ireland raises particular challenges, and I want to touch on them.

I think that everyone supports the idea of modernisation, but there is concern in Northern Ireland that the loss of the Belfast coastguard station would be a blow not just to the North Down constituency in which it is located, but to Northern Ireland as a whole. The coastguard in Northern Ireland is held in universally high regard, and I think that that has been the case throughout its history. While people often focus on rescue at sea, and that is certainly an issue for Northern Ireland, there is also the matter that the hon. Member for South Down (Ms Ritchie) raised with regard to inland search and rescue, which is also co-ordinated by the Northern Ireland coastguard. It is worth noting that in Northern Ireland, unlike in other parts of the UK, there are only two category 1 responders to emergencies: the Police Service of Northern Ireland and HM coastguard. We

[Naomi Long]

are all acutely aware of the significant security pressures faced by the PSNI. It is therefore important that HM coastguard can provide that search and rescue facility at a local level.

The Belfast coastguard station is the only one in the UK with a direct land border with another European state, so it fulfils a unique role in providing liaison and co-ordination with the Irish coastguard. As I said in an earlier intervention, I am concerned that some of the close working relationships, which are not just beneficial to Northern Ireland, would be lost as a result of any changes to and relocation of that co-ordination point.

I do not wish to repeat much of what has been said and I do not have the time to do so. In conclusion, I want to mention the impact on volunteerism in the RNLI. I referred specifically to the fact that people who work for the coastguard also volunteer, as do their families. Given the work of Bregenz house, those local relationships have been hugely important in encouraging people to engage with the RNLI. My concern is that, with dislocation and distance, that link might not be as effective as it has been in the past.

The hon. Member for South East Cornwall (Sheryll Murray) powerfully indicated the importance of local knowledge. I cannot add anything to her comments, so I simply commend her for what she said.

I am aware that the coastguard has produced alternative proposals, and I hope that those address not only the wish for modernisation but the concerns we have raised about the Government proposals. I look forward to the Minister's response. I trust that he will be able to provide us with additional reassurance that the Government are listening and will respond positively.

10.40 am

Jim Fitzpatrick (Poplar and Limehouse) (Lab): It is a pleasure to see you presiding over the debate this morning, Dr McCrea.

I congratulate my hon. Friend the Member for Sefton Central (Bill Esterson) on providing us with the opportunity to discuss this important matter again.

It is good to see the Minister in his place, back under pressure, which is where Ministers should be—keeps him honest. I know that he is well regarded by most Members in the House and by the shipping community, and we are also confident that he is doing everything he can to protect the service, given the coalition's deficit plan.

As I have said before, the Opposition are not here to oppose all the coastguard reforms, nor am I a deficit denier. It is important to say straight away that the global financial crisis happened in every country—it was not a recession made in Britain, but was caused by the banks, and Labour accepts that we should have been tougher on them. Like every other country, though, we need to get the deficit down, which means cuts. We recognise the Government's position.

However, the Tory-led coalition is creating a vicious circle in our economy because it is cutting too far and too fast. That is our fear about the coastguard proposals: they are too deep and too fast. We certainly disagree with the presentation of options, such as either Stornoway or Shetland, and we are uncomfortable with having to choose between Belfast or Liverpool—to name just two of the main locations. We therefore seek and hope to hear assurances about the future from the Minister.

We have heard from several Members. My hon. Friend the Member for Sefton Central asked the central question about the role of the other emergency services and their relationship with the coastguard service. The hon. Member for South East Cornwall (Sheryll Murray) has more reason to be listened to on this issue than any of us—I am sure that the Minister is listening to her and her constituents. She made the point about local input. There has been huge interest in the consultation exercise, as we have heard from hon. Members. Despite the miles clocked up by the Minister, about which I am sure he will tell us in due course, areas such as Cumbria and the constituency represented by my hon. Friend the Member for Barrow and Furness (John Woodcock), would have been pleased to have the opportunity to meet the Minister as well, to express their real concerns about the possible closure of the Liverpool station. The hon. Member for South East Cornwall made her points on local knowledge and the case for Brixham strongly—as ever.

The hon. Member for South Down (Ms Ritchie) made a powerful case for the station at Bangor and the international implications given its cross-border arrangements. The hon. Member for Argyll and Bute (Mr Reid) mentioned Greenock and, generously, that our departed and much missed friend, David Cairns, championed this matter when in the House representing his town. The hon. Gentleman also mentioned language issues. My hon. Friend the Member for Ynys Môn (Albert Owen), who has spoken knowledgeably on the question on several occasions, again raised the issue of Holyhead. His role in the RNLI council gives him greater insight. The hon. Member for Poole (Mr Syms), who was generous with his time, and gracious as ever, rightly applauded the RNLI and paid tribute to everyone involved. Given that he is the MP for RNLI headquarters, which I had the pleasure of visiting during my time as shipping Minister, he is the right person to make such comments. The hon. Member for Belfast East (Naomi Long) repeated the concern of her constituents—and more widely—about the future of their station.

I wish to ask about the maritime incident response group, mentioned by my hon. Friends the Members for Sefton Central and for Ynys Môn, and about the future of the emergency towing vessel contract in association with the reform of the coastguard services. I submitted some questions to the Minister, but can he furnish more information on top of his answers of 26 April? First, he addressed the maritime incident response group, which was set up to help fight fires on board vessels around Britain's coast, given the gap in our armoury:

> "We are finalising a risk assessment on the review of Maritime Incident Response Group which we hope to publish shortly."

I wondered if that was likely to be soon. He also said a consultation exercise was going on with the fire and rescue services, and:

> "Final decisions on future arrangements will be taken once this consultation is complete." —[*Official Report*, 26 April 2011; Vol. 527, c. 91W and 92W.]

Has the consultation been completed? Finally on the response group, are discussions with the Department for Communities and Local Government complete, given that it has responsibility for Britain's fire services? What was the outcome of those discussions?

The question of the emergency towing vessel contract still causes concern, which was expressed most powerfully by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) in the February debate because of the Donaldson inquiry and its recommendation about the contract and the £100 million cost.

Mr MacNeil: Last week I happened to be in Torshavn in the Faroe Islands, where the West Nordic Council was meeting—Greenland, Iceland and the Faroe Islands, with Denmark present as well. Coastguard safety generally was discussed, but emergency towing vessels were taken especially seriously because of the increase in cruise ships in the north Atlantic, and that applies to the north and the west of Scotland. We should be playing our part internationally—international countries with difficulties were mentioned, Iceland in particular is having them, but it is not cutting back on maritime safety. In fact, Iceland is going in the opposite direction of travel. There is a lesson there for us, as well as for international safety—anyone we know could be on a cruise ship.

Jim Fitzpatrick: The hon. Gentleman speaks knowledgeably on the issue, which I am grateful that he raised, and which the Minister has been considering, so an update on whether the work on the replacement service or arrangements has been finalised would be helpful. Can he say anything further, given the suggestion of some movement in the area?

I am sure that the Minister has seen the Oxford Economics report on "The economic impact of the UK's Maritime Services Sector". I was generously supplied with a copy by Mr Doug Barrow of Maritime UK, who is well known and highly regarded in shipping circles. The summary of this authoritative report reminds us that the UK maritime services sector directly creates 227,000 jobs, contributes more than £13 billion to the UK economy and generates £3 billion plus for the UK Exchequer. It also supports considerable activity in other sectors, including direct, indirect and induced impacts supporting more than 500,000 jobs and generating more than £7 billion for the UK Exchequer. Given, in addition, the millions of recreational users of our seas and coasts, we must get the conclusions of the consultation right.

As colleagues have articulated this morning and previously, here in Westminster Hall and in the main Chamber, there is much disquiet about the initial Government proposals. The Minister has given us some encouragement in previous appearances here and at the Dispatch Box that the proposals are not set in stone. The coalition's policy adjustments in recent months—on forests, NHS reforms, sentencing guidelines, school sport partnerships and housing benefit rules, not to mention something we might be hearing today on bins—give some encouragement that the Government will listen to the various contributions from Members and from those outside the House and not proceed with the original proposals.

I congratulate all Members on their efforts. We know that there will be reforms to the coastguard service—of that, there is no doubt—but we will strive to ensure that they are neither too deep nor too fast. I look forward to the Minister's comments.

10.49 am

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a pleasure, Dr McCrea, to serve under your chairmanship for the first time. I pay tribute to the hon. Member for Sefton Central (Bill Esterson) for securing the debate, although most hon. Members linked it to matters wider than the link between the emergency services and the coastguard service. I pay tribute to their ingenuity in doing so, and I pay particular tribute to my hon. Friend the Member for South East Cornwall (Sheryll Murray) for bringing her knowledge to the debate. I know how difficult that must have been, and she did so courageously. We may not agree on everything, but I promise that we will remain friends.

The Government set out the consultation process, we extended it, and we are reopening it so that the report of the Select Committee on Transport can be included in our thoughts. We will almost certainly have another consultation process because, as I have said since day one, as has the Secretary of State, what comes out of the process will not be the same as what we went in with, because we are listening. We have said that from day one, and I have said that as I have gone around the country. How that can be deemed a U-turn is strange. We did not say at the start that we would not come out with something different. Perhaps Her Majesty's Opposition would prefer me to ignore everything that is said in the debates, be rigid, ignore public opinion, and have sham consultation, which is what happened under the previous Administration.

Mr MacNeil: Will the Minister give way?

Mike Penning: I am conscious that colleagues have, rightly, used most of the time available, and I am also conscious that I may repeat what has been said again and perhaps again and again, but I will not give way because I have about nine minutes left, and I want to cover the issues, especially those that are slightly different from those that arose around the country.

I praise the hon. Member for Sefton Central, because the debate is important, and its title has helped me. I was not aware that there were problems regarding the roles of the Merseyside fire and rescue service and Her Majesty's Maritime and Coastguard Agency on the Mersey estuary, especially involving mud rescues. That was interesting, but I understand now, and with some impetus from the debate and perhaps a bit of size 10 from me they will be resolved. Clearly, there is duplication in who co-ordinates the service.

May I tell my hon. Friend the Member for South East Cornwall that although I represent a landlocked constituency, I was a member of the fire and rescue service in Essex, and was based at a coastal station for many years? About the third major incident that I went to was a freighter fire. As the shadow Minister, my friend the hon. Member for Poplar and Limehouse (Jim Fitzpatrick)—he is my friend—knows, that is one of the most frightening experiences.

We heard that there is often a difference of opinion between the crew of a ship and the firemen about how best to put out a fire. That is not surprising, because firemen have a habit of chucking a huge amount of water at fires—that is what we are trained to do—and if you do that to a fire on a ship, it tends to sink. Such

[Mike Penning]

instances have happened around the world. There is a debate about what should be done about fires at sea. It is right that that debate is taking place, and it is happening around the world. The truth of the matter is that it is enormously dangerous to put fire crews on to ships at sea to fight fires, and we must make a decision between lives, cargo, pollution and other issues.

I met Roy Wilsher, the country's lead fire officer and Chief Fire Officer of Hertfordshire the other day and we discussed where we are with the agreements in place, and where we should be.

Albert Owen: As an ex-merchant seaman, but a humble rating, I understand the dangers, as does the Minister from his perspective. My point referred to a master mariner—they must decide whether to abandon ship, or to protect cargo or the environment—who raised directly with me the importance of coastguard stations' local knowledge. That is why I raised the matter in this debate.

Mike Penning: Such concerns were properly raised in the debate, and the shadow Minister raised the issue of fighting fires at sea, which was also important.

Another issue was the future of emergency towing vessels, and negotiations are continuing. We intend to terminate the contract, which costs £10 million a year, in September, and I am fixed in that position, because if I move one iota, the commercial sector and everyone else will say that I have gone soft, but they do not have to cough up the money. The key is where the risk is.

Mr MacNeil: Will the Minister give way?

Mike Penning: I apologise, but I cannot give way. I am sure that there will be another debate on the subject fairly soon. During the remaining five minutes I will not be able to answer all the points that have been raised, but I will write to every hon. Member about any specific points that they raised, and particularly those issues that do not come within my portfolio.

We have a legal responsibility to co-ordinate the work with other emergency services, and I know that that happened when I was a humble fireman. My previous history was praised, and I was proud to be a fireman but, as when I was in the Army, I did not rise far through the ranks.

Interestingly, although during these debates colleagues have not been saying, "Save my station and close someone else's," that is not quite what we have heard from the coastguards themselves in the larger and more detailed submissions that we have received. The hon. Member for South Down (Ms Ritchie) referred to my visit to Bangor. It was a wonderful visit, and it was like groundhog day, because I had not been in the Province since I had served in another way. She rightly said that the proposals on the service's future nationally, not just on individual stations, were detailed and indicated clearly that no change is not an option, as the coastguards are saying, and that nine or 10 stations is the optimum number. The shadow Minister said that some stations should not close, and it would have been interesting if he had said which ones should close, because that would have been informative, especially as most if not all the proposals were on the table when he was a Minister.

Sheryll Murray: Does the Minister accept that the response from the coastguards about closing one station or another is because he has moved the starting line? I know from my coastguard and others that if he started with a blank sheet of paper, he would not get the same answer. Does he accept that?

Mike Penning: I would like to accept that—I understand where my hon. Friend is coming from—but I cannot, because the proposals were on the table before I was the Minister and even before the shadow Minister was the Minister. There has been discussion about the matter and people have buried their heads in the sand for years and years. My hon. Friend asked whether, if we had a blank sheet of paper, the format of coastguard stations around our coastline would be as they are now. No, they would not. We must all accept that.

My hon. Friend asked me to retract what I said about only Falmouth carrying out international rescue. Falmouth is twinned with Brixham, and I fully accept that it picks up when Falmouth goes down, and that regular exercises take place—*[Interruption.]* My hon. Friend said from a sedentary position that it takes responsibility. Yes, it does, but it also regularly carries out exercises. Falmouth made it clear to me that it is the centre for international rescue. It gave evidence in its submission on the future of the coastguard.

I honestly believe that this is the way that consultation should take place. Political parties may play different games, but we will come out with a national emergency service with the resilience, pay and training infrastructure that it needs and deserves. I hope that everyone understands that the Government and the MCA are acting for the right reasons, and not just to make cuts. The issue was on the table years before cuts were thought about. What we need is a 21st-century service.

Information Technology (NHS)

11 am

Mr Richard Bacon (South Norfolk) (Con): It is a pleasure to serve under your chairmanship, Dr McCrea. I am reminded of Fidel Castro's old maxim that any speech of less than three or four hours cannot be any good, and when I reviewed the material available for this debate, I felt that it might be difficult to put everything I want to say into a shorter time. I appreciate, however, that this debate lasts only 90 minutes and that the Front-Bench speakers will be called fairly soon. I am not planning to take many interventions during my remarks, so that I can get through everything I wish to say as quickly as possible.

The importance of information technology to good health care cannot be overstated. As leading health informatics expert, Dr Anthony Nowlan, put it:

"Redesigning the ways care is organised and conducted and supporting those new ways with information science is more important to people's health overall than any new drug we could develop in the next decade."

He also stated that

"the engagement of clinicians and managers is not just about telling them what is going to happen."

Sadly, those words accurately summed up a significant part of the problem that we faced.

The national programme for IT in the health service is the largest civilian computer project in the world. It was spawned in late 2001 and early 2002, after the then Prime Minister, Tony Blair, met Bill Gates and was bowled over by a vision of what IT could do to transform the economy and health service. The idea was for information to be captured once and used many times, transforming working processes and speeding up communications. A far-reaching vision set out a programme that would supposedly lead to a transformation in people's experiences of health care. Hospital admissions and appointments would be booked online—the choose and book system—pharmacists would no longer struggle with the indecipherable handwriting of GPs; and drug prescriptions would be handled electronically. There was to be a new broadband network for the NHS, a new e-mail system, better IT support for GPs and digital X-rays. Most important of all, medical records would be computerised, thus transforming the speed and accuracy of patient treatment through what became known as the NHS care records service.

The NHS care records service comprised two elements: first, a detailed care record that contained full details of a patient's medical history and treatment. That was to be accessible to a patient's GP and to local community and hospital care settings, so that if treatment were required, all the information would be available. Secondly, there would be a so-called summary care record that contained medical information about things such as allergies and would be more widely available.

It became clear that Tony Blair was in no mood to wait when he asked Sir John Pattison, who attended the Downing street seminar in February 2002 where these matters were discussed, how long the IT programme would take. Sir John Pattison later stated:

"I swallowed hard because I knew I had to get the answer right... and I said three years."

Tony Blair replied, "How about two years?" and they settled on two years and nine months from April 2003—in other words, until December 2005. Given the extent of the proposals, that was a ludicrous timetable. Nevertheless, the decision had been made, and everything had to be done at breakneck speed.

Sir John Pattison and his team set to work and produced a blueprint entitled "Delivering 21st century IT support for the NHS: national strategic programme", which was published in June 2002. The aim was to connect the delivery of the NHS plan with the capabilities of modern information technology. There was, however, an odd discrepancy at the outset. At the back of the original document were four appendices, one of which contained the project profile model and stated that the project's estimated whole-life costs were £5 billion. It provided a total risk score of 53 out of a maximum of 72. In other words, the project was very high risk. When the document was published, however, that project profile model had been removed and there were only three appendices—the likely costs of the project and the true risks were concealed right from the start. After the publication of the document, the Department of Health established a unit that later became the Connecting for Health agency. In September 2002, Richard Granger was appointed as director general of the NHS IT programme on a salary of about £250,000. His job was to turn the national strategic programme—which soon became the national programme for IT in the health service—into reality.

Richard Granger was a former Deloitte consultant who had successfully overseen the introduction of the London congestion charge. Speaking at a conference in Harrogate some months after his appointment, he announced that the cost of the IT programme would be £2.3 billion. That figure contrasted with the unedited version of Sir John Pattison's "Delivering 21st century IT support for the NHS", which a few months earlier had come up with the larger estimate of £5 billion.

Mr Granger commissioned a study by McKinsey into the health care IT market in the UK, which was then dominated by medium-sized firms that sold systems to hospitals and GP surgeries. The study concluded that no single player was capable of becoming a prime contractor in a multi-billion pound programme, and Mr Granger soon announced that the procurement process for the programme would be structured to attract global IT players. He had little respect for the skills of most public sector buyers of computing systems—perhaps with good reason if one looks at the track record—and knew that IT contractors routinely run rings around their customers in government.

Mr Granger made it clear that things would be different on his watch. Contractors would not get paid until they delivered, and those not up to the mark would be replaced. He even compared contractors to huskies pulling a sled on a polar expedition:

"When one of the dogs goes lame, and begins to slow the others down, they are shot. They are then chopped up and fed to the other dogs. The survivors work harder, not only because they've had a meal, but also because they have seen what will happen should they themselves go lame."

Mr Granger started as he meant to go on, and potential contractors were left in no doubt that the procurement process was to happen quickly. In May 2003, potential

[Mr Richard Bacon]

bidders were given a 500-page document called a draft output-based specification, and told to respond within five weeks.

One of the classic failures in many IT projects is the failure to consult adequately with those who will use the systems once they are delivered. The national programme followed that pattern in many respects, but in this case that did not happen by accident. Mr Granger had no patience with what he saw as special pleading by medical staff, whom he believed were unwilling to accept the ruthless standardisation that was necessary to deliver the advantages offered by the IT system. He effectively believed that he knew what the clinicians needed better than they did themselves.

Some clinicians were keen to ensure that they had proper input into what was happening. Sir John Pattison asked Dr Anthony Nowlan, the health informatics expert who at the time was the executive director of the NHS Information Authority, to secure the involvement of health professionals in the programme. The aim was to obtain a professionally agreed consensus about what was the most valuable information to store, and what was achievable in practice.

After several months the group had hammered out a consensus, but although that work was fed in when the contracts began to be specified, it formed only a relatively small part of the overall specification. The large majority of the so-called output-based specifications, and the crucial major hospital systems at the heart of the programme, were developed without involvement and scrutiny by the leadership of the health profession. That happened despite the fact that involvement by users is essential if one wants software that works and that people will use.

The great speed at which contracting was completed meant that all complex issues had to be faced after the contracts had been let. Anthony Nowlan began to realise that his efforts were not welcome, and he told the Public Accounts Committee that

"it became increasingly clear to me that efforts to communicate with health professionals and bring them more into the leadership of the programme were effectively obstructed."

Worse still, Nowlan was subsequently asked to provide a list of the names of hundreds of people who had been involved in specification work, so as to provide evidence to reviewers that the work was valid. In fact, all that had happened was that an e-mail had been sent out. Quite understandably, Dr Nowlan thought that saying that people had been consulted because they had been sent an e-mail was not consultation in any proper sense, any more than compiling a list of people who had been sent an e-mail was proper validation. He regarded the claims as a sham, and refused to co-operate.

It turned out that serious clinical input into the programme was not really wanted. As Professor Peter Hutton later told the PAC,

"it was like being in a juggernaut lorry going up the M1 and it did not really matter where you went as long as you arrived somewhere on time. Then, when you had arrived somewhere, you would go out and buy a product, but you were not quite sure what you wanted to buy. To be honest, I do not think the people selling it knew what we needed."

The result was a set of contracts that were signed before the Government had understood what they wanted to buy and the suppliers had understood what they were expected to supply.

When the then Health Secretary John Reid—now Lord Reid—announced the contract winners in December 2003, the value of the contracts had already shot up to £6.2 billion from the original £2.3 billion mentioned by Mr Granger in Harrogate. The time scale had tripled in length, and instead of the two years and nine months from April 2003 originally promised—to which Sir John Pattison had been obliged to commit at the Downing street seminar—the contracts were now to run for 10 years. Later, one of the most senior officials in the national programme, Gordon Hextall, even claimed that it was always envisaged that the programme would run for 10 years.

Four winning bidders were appointed: Accenture; Computer Sciences Corporation, or CSC; Fujitsu and BT. They were known as local service providers, or LSPs. BT and Fujitsu picked a US software firm, IDX, to work with, while Accenture and CSC both picked a British software company called iSoft. iSoft was a stock market darling that had been spun out of the consulting firm KPMG in the late 1990s. The company's flagship was a software system called Lorenzo, which was portrayed enthusiastically in iSoft's 2005 annual report and accounts. The chairman, Patrick Cryne, told shareholders that Lorenzo had made "impressive progress", while chief executive Tim Whiston stated that Lorenzo would be "available from early 2004" and that it had

"achieved significant acclaim from healthcare providers".

With such promising statements from the company's directors, the stock market was delighted, and it was no surprise that iSoft's share price rose sharply. Mr Cryne, Mr Whiston and their fellow directors then sold large tranches of their personal shareholdings in iSoft, making around £90 million in cash. In 2004, Patrick Cryne bought Barnsley football club.

There was a slight problem. The flagship product, Lorenzo, which was described in such encouraging terms by the directors, was not finished. That caused a big headache for Accenture, the biggest LSP, with two contracts worth around £1 billion each. It was in partnership with iSoft and was trying to implement software that was basically not implementable. CSC faced a similar problem in the north-west. Under the Granger rules of engagement, no one was supposed to get paid until something was delivered. As iSoft had not produced a working version of Lorenzo, the brutal reality was that neither Accenture nor CSC had any software to deploy.

There were still big concerns about the programme's indifference to securing clinical buy-in from users—clinicians in hospitals—even though numerous studies had pointed to such buy-in as the key ingredient for success in any IT project. Professor Peter Hutton wrote to the then chief executive of the NHS, Sir Nigel Crisp, to express his continuing disquiet:

"I remain concerned that the current arrangements within the programme are unsafe from a variety of angles and, in particular, that the constraints of the contracting process, with its absence of clinical input in the last stages, may have resulted in the purchase of a product that will potentially not fulfil our goals."

Soon after pointing out politely that the emperor had no clothes, Professor Hutton was asked to consider his position, and he tended his resignation. The IT people

were simply not interested in what the doctors were telling them. To give it belated credit, however, the Department of Health began to realise that securing the support and buy-in of clinicians who would have to use the systems might be a good idea.

In March 2004, the deputy chief medical officer, Professor Aidan Halligan, was appointed alongside Richard Granger as joint director general of NHS IT, and joint senior responsible owner of the programme, with specific responsibility for benefits realisation. That was welcomed by clinicians. One delegate at the Healthcare Computing conference in Harrogate said that Halligan's appointment was "really, really good" because

"he has the trust of clinicians and can stand up to Granger",

although a general practitioner delegate at the same conference said that it "spoke volumes" that nobody like him had been in the post earlier. Halligan acknowledged that not enough had been done to win the support of clinicians, whose buy-in, he said, was critical to the success of the project. Listening to clinicians was now the flavour of the month. However, there was one insuperable difficulty—the contracts had already been signed. As Professor Hutton later explained to the PAC,

"it became clear from discussions with suppliers in early 2004 that what they had been contracted for would not deliver the NHS Care Record".

Accenture and CSC struggled on with the unusable Lorenzo. Eventually they commissioned a study that produced a confidential report in February 2006, which confirmed their worst fears. The report stated that the Lorenzo had

"no mapping of features to release, nor detailed plans. In other words, there is no well-defined scope and therefore no believable plan for releases."

That was over five years ago.

In March 2006, Accenture announced to its shareholders that it would use $450 million to cover expected losses on the programme. It made repeated offers to the programme that it would meet its contractual obligations by using other software. However, that might have bankrupted iSoft, and Richard Granger was having none of it. He responded with a threat when Accenture talked about walking away. Referring to tough penalty clauses contained in the contracts, he said that

"if they would like to walk away, it's starting at 50% of the total contract value".

Accenture had two of the £1 billion-a-piece prime contracts, so it appeared to be facing a cool £1 billion in penalty payments to the Government if it abandoned the programme. Strangely, it did not work out that way. Accenture engaged in swift negotiations with the health service and in September 2006, after making a penalty payment of just £63 million, it duly exited the programme. Mr Granger's threat, that if Accenture left the programme it would face gigantic penalty payments, proved to be of little account. There were rumours that if Mr Granger had demanded any more money, he would have faced serious and embarrassing counter-claims from Accenture for failures by the national programme to stick to its own contractual obligations.

CSC, with its own £1-billion contract for the north-west and west midlands regions, was in no better a position than Accenture to implement the unfinished Lorenzo software. It was also struggling to mop up after having caused the largest computer crash in NHS history, when its Maidstone data centre was hit by a power failure, followed by restarting problems. The back-up systems did not work, and data held in the centre could not be accessed. That meant that, for four days, 80 NHS trusts could not use their patient administration systems and had to operate as best they could with paper systems.

Another worry for CSC was its shareholders. Accenture had set aside hundreds of millions of pounds against expected losses and told the stock market accordingly, but CSC had done no such thing. In addition to its problems with losses in the UK, the company had troubles back home in the United States, where it faced allegations of corruption. The US Department of Justice had alleged that CSC was part of an alliance, which included virtually all the major sellers of hardware and software in the United States, that had swapped unlawful kick-backs in Government agency technology contracts. CSC finally agreed to a $1.37 million payment to resolve those allegations. That was reported on the news blog of Cnet.com on 13 May 2008, under the heading:

"CSC settles with feds over kickback allegations".

In such circumstances, having extra contracts from the NHS might look reassuring to the US stock market. Despite the fact that there was no implementable software—Lorenzo still was not finished—CSC quickly took on both Accenture contracts, tripling its involvement in the programme. However, there were continuing problems at iSoft, which was supposedly writing the Lorenzo software. One of the problems related to the publication of iSoft's financial results, which had been repeatedly delayed, up to the point where one of iSoft's own advisers, Morgan Stanley, a brokerage, declined to publish a profit forecast, stating:

"We don't feel we have enough visibility to offer a recommendation".

With friends like that in the stock market, who needs enemies? Finally, iSoft was forced to declare a loss of £344 million, which wiped out all the company's past profits. The Financial Services Authority launched an investigation.

Now, three fifths of the programme was dependent on one troubled local service provider, CSC, which was using a software supplier, iSoft, that was itself under investigation by the FSA. One regional contractor, Accenture, had been replaced by another, CSC, which had less experience. The central problem remained: the software that they had been trying to deploy, iSoft's Lorenzo system, was still not finished.

In those circumstances, iSoft started to deploy software products that predated the programme, which Connecting for Health duly paid for. Those older products did not meet the specifications for the national programme. It is important to remember that fact, because that is what many acute hospitals have now been given—old and outdated software that was deemed inadequate nine years ago to meet the programme's specifications.

Meanwhile, the other two providers, BT and Fujitsu, were having their own problems. They were trying to implement American software, which is not such an easy thing to do in a British hospital, because American hospitals rely on billing for each and every activity and do not, conversely, expect to have to handle waiting lists. An American software system cannot be just uploaded to an acute hospital main frame and be switched on—it is not that simple.

[Mr Richard Bacon]

In June 2005, IDX was dropped by Fujitsu with Richard Granger's consent and replaced by another American firm, Cerner, which had a software package for large acute hospitals called Millennium. BT, some 18 months after winning its LSP contract, was still struggling with IDX. By July 2005, BT was facing serious threats from Richard Granger that it could be axed if it did not start to perform. In an interview with *Computing* magazine, Mr Granger said:

"BT had better get me some substantial IDX functionality by the end of summer or some predictable events will occur."

However, it was not that simple. As the leading health care IT website, *e-Health Insider*, pointed out, replacing BT as the local service provider

"would represent a major failure for the programme, and raise questions over the whole IT-enabled NHS modernisation"

and lead to even more delays. The website added:

"Such a move would also potentially raise serious questions about whether the adversarial management style of Connecting for Health is the most likely to deliver new systems that provide clinical benefits to patients in a timely and cost-effective fashion."

BT was allowed to continue as the local service provider and eventually, with Granger's consent, it was allowed to follow Fujitsu's lead and replace IDX with Cerner Millennium.

At a London conference in July 2005, Mr Granger gave a stern warning to suppliers who were lagging behind on delivery:

"We will get very soon to a point where they will either come good with what they've got, or they will get a bullet in the head."

Mr Granger was also showing signs of defensiveness about the programme, stating:

"It might be a policy disaster, but it isn't an IT disaster. The system was delivered to spec",

and he gave the example of the electronic staff record. He added:

"If some of my colleagues do not think sufficiently through as to what was wanted then it's a specification error."

Such statements by Mr Granger led to howls of rage from some industry observers, including one who, after Granger's speech, posted a comment on the *e-health Insider* website, saying:

"Now and then I check myself from hatred of what Richard Granger stands for and has done to NHS IT, and then the sheer arrogance and ignorance of his public statements brings me back. He set the ridiculously short timescales for decision-making, procured before there was a clear idea of the scope, handed all the 'choice' from NHS clinicians to private contractors. CfH"—

Connecting for Health—

"hasn't solved the funding crisis for computerising the NHS, rather landed us with a massively expensive way to do what some of us were achieving already".

Meanwhile, the National Audit Office had embarked on a study of the national programme, which was due to be published in summer 2005, but there were considerable delays. As Members may know, NAO reports involve a clearance process, during which a report's factual content is cleared with the Government before publication, and that has benefits for both sides. However, something different happened with the national programme report. It was as if Connecting for Health wanted to use the clearance process to expunge the slightest criticism of its activities. It undertook a war of attrition with the auditors, in a process that the NAO later described as fighting

"street by street, block by block".

The final report was delayed again and again, and it finally appeared in June 2006. It was much weaker than seasoned health IT observers had expected. The Minister of State, Department for Communities and Local Government, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), who was then a member of the PAC, described it as "easily the most gushing" he had read, while a BBC correspondent described it as a "whitewash". Most of the key criticisms were eventually excised, as Granger and his team ground down their opponents. It later emerged through freedom of information requests that earlier drafts had been much tougher.

Tom Brooks, a management consultant with years of worldwide experience in health care, wrote a devastating submission to the PAC, in which he questioned the whole rationale for central procurement in the programme. He said that

"the poor quality of the negotiation of the NPfIT contracts by Mr Granger"

was a subject of criticism. He described the view that central procurement would produce systems that met local requirements as "a fundamental error". He told the Committee:

"MPs are mis-informed if they view the central infrastructure as making reasonable progress".

Dr Anthony Nowlan, whom I mentioned earlier, described the programme as "back to front", given that the contract stating what would be produced had already been let. He pointed out the sheer absurdity of a consensus document produced by the programme stating:

"Now that the architecture for England has been commissioned, designed and is being built, there is a need for clarity concerning how it will be used".

A group of health IT experts sent the PAC a detailed paper offering a devastating critique of the entire programme. The group provided evidence that it was likely to deliver neither the most important areas of clinical functionality nor the benefits required to justify the business case. The group simply stated:

"The conclusion here is that the NHS would most likely have been better off without the National Programme in terms of what is likely to be delivered and when. The National Programme has not advanced the NHS IT implementation trajectory at all; in fact, it has set it back from where it was going".

In view of the frequent misunderstandings about the national programme among so many journalists, broadcasters, politicians and commentators, it is worth quoting the expert group's document at some length. It starts by saying:

"It is useful to begin with the question: What is the central point of NPfIT—its chief raison d'etre? Is it a shared medical record (otherwise known as the 'Central Spine' or 'Central Summary Care Record Service') across England?

The answer to this important question is simply: no...the central point of NPfIT is to provide the local Care Record Service...Compared with the local CRS, the Central Spine is a much lower priority because it is totally speculative and even if delivered is likely to result in very little clinical benefit...This is a subtle but critical point. The Local CRS systems...are a proven technology...These local CRS systems have always been costly investments (several million pounds per hospital over several years) but have been proven in the NHS and elsewhere to deliver real clinical benefits...This picture is entirely different for the

so-called Central Spine record, or Central Shared Summary record, which NPfIT (and the government ministers) would like the public to believe is the central point of NPfIT. It is not. The Central Spine record is just a concept...The problem is that clinicians have told us medicine does not work like this. Clinicians do not just use a summary record to deliver care. They build and depend upon detailed and specific medical data that are relevant for each patient.

They do not rely on some other clinicians' definition of what will be most relevant to put in a summary record. What is relevant clinically will inevitably vary from patient to patient.

The concept of a summary Central Spine record has no scientific basis and no significant clinical support to back it up—just an overly simplistic and naïve storyline about a Birmingham patient falling ill in Blackpool. In fact, no one has ever provided any figures on how often this situation is likely to arise to show whether or not the investment in the Central Spine record is worthwhile.

The point here is that the Local Care Record Service"—

I emphasise the word "local"—

"is the essential building block for clinically useful health IT to support clinical care in progressive, modern and proven ways. Yes, it is difficult to implement and can take 2-3 years to roll-out across the whole hospital (or organisation), and yet it is always worthwhile...These Local Care Record Service systems are the building blocks and are the point of NPfIT, and what NHS Trust Chief Executives want, need and expect. They are not waiting for a Central Spine record to run their hospitals.

However, the Local Care Record Service systems (or the Local Service Providers' newest versions of them) are not likely to be fully deployed now (only the rudimentary patient administration elements of them will be) because NPfIT is putting in old 'legacy' products in place of new modern Local Care Record Service products in its panic to show deployment and because the systems have been so late in being delivered by the LSPs"—

the local service providers. The document continues:

"The key point of the National Programme for IT is to provide both depth of clinical systems functionality and breadth of integration in terms of delivering the contracted Local CRS functions across organisations and care-settings (acute, primary, mental health, social services).

This is the true vision of health IT promised by the National Programme which is embodied in the Local Service Provider contracts and it is what their price reflects."

The trouble is, with all the delays, the LSP schedules are being down-scoped behind the NHS's back and without any accountability to the local NHS Trust chief executives to whom the original vision was promised."

In September 2006, with the hon. Member for Southport (John Pugh), I published a paper called "Information technology in the NHS: What Next?" In it, we identified four fallacies and offered a way forward. The fallacies were that

"Patient data needs to be accessible all over the country...Local trusts can't procure systems properly so the centre has to do this for them...Large areas of the NHS need to work on a single massive system"

and that the

"National Programme saves money."

The suggested way forward was to allow hospital chief executives to buy the systems they actually wanted, subject only to common standards, and to fund such purchases partially from the centre, while making local chief executives contractually responsible for delivery.

Shortly after we published that paper, the NHS chief executive, David Nicholson, introduced the NPfIT local ownership plan, but it did not follow our suggestion of giving local chief executives autonomy in what they bought. Under the NLOP, hospital chief executives would still be required to buy the software that the local service provider was contracted to provide—the difficult-to-install American system, Cerner Millennium, or the non-existent Lorenzo.

Furthermore, instead of there being one senior responsible owner for the programme, which is a central tenet of good project management practice, there would be many dozens of senior responsible owners dispersed among the different primary care trusts, strategic health authorities and hospitals across the country. Those bodies were given responsibility for implementing and delivering software that was not available or which did work properly, without a free choice to buy something else that did work. The NLOP looked more like an attempt to decentralise impending blame than a serious attempt at reform. That is why Tony Collins, one of the country's leading computer journalists, playfully said that NLOP actually stands for "No Longer Our Problem".

In February 2007, Andrew Rollerson, a senior Fujitsu manager who had assembled and then led the winning Fujitsu team in the original bid process, mentioned more or less en passant at an IT conference that his view of the national programme was that

"it isn't working and it isn't going to work".

To many informed observers, it was just a statement of the obvious. The PAC called him to give evidence, and when asked if he felt that he had been the

"one who let the finger out of the dam"

and allowed

"a whole collective sigh of relief"

to go round the health IT sector, he replied

"I think that is absolutely spot on."

Fujitsu then wrote to the Committee stating that Rollerson was not a senior executive of the company and had not been involved for a long time, but neglecting to mention that he had led the winning bid team.

By 2007, another accounting probe had been launched into iSoft by an accounting standards body, and in the following month, April, the PAC published its report, which concluded that

"at the present rate of progress, it is unlikely that significant clinical benefits will be delivered by the end of the contract period".

By June 2007, Richard Granger had announced that he would quit at some point and shortly afterwards stated that he was "ashamed" of some of the systems put in by Connecting for Health suppliers, singling out Cerner for criticism. David Nicholson, the NHS boss, appointed several new senior executives to join Granger at the top table, while continuing to reject calls for a full review. Tony Collins wrote in *Computer Weekly* that the future of the national programme for IT in the NHS was "hazy" and that it was becoming

"difficult to delineate success from failure".

Derek Wanless, whose major review for Tony Blair into the future of the health service had first identified investment in IT as an area for improvement, publicly questioned whether the NHS IT programme should continue without a full audit. He said that

"there is as yet no convincing evidence that the benefits will outweigh the costs of this substantial investment".

In October 2007, the Department of Health rejected rumours that Matthew Swindells had been appointed interim chief executive of Connecting for Health, but in

[Mr Richard Bacon]

an industry survey he was named the 12th most influential person in the NHS—10 positions above Richard Granger. It appeared that Richard Granger's influence was on the wane and that he was being eased out. Tony Collins mused on his blog that the programme might be even worse without Richard Granger—

"the thought of this juggernaut being without a driver is even more scary that when it had a driver but no controls".

Mr Granger's last day as an employee of the NHS was 31 January 2008, though, curiously, it was a week, on 6 February, before the interim director of NPfIT and systems delivery, Gordon Hextall, sent a letter to Connecting for Health staff to tell them that Granger had gone and that two appointments would replace him: a top-level chief information officer and a director of IT programmes and systems delivery. Meanwhile, the interim chief information officer would be none other than Matthew Swindells, whose involvement the Department had denied earlier.

In February 2008, the Commons Health Committee published a report on the electronic patient record, which stated that it was "dismayed" by the lack of clarity about what information would be included in the summary care record and for what the record would be used. It also said that there was "a stark contrast" between the "specific and detailed" vision set out for the integrated care records service in 2003 and the "vague and shifting" vision set out in 2007. The Committee concluded that there was now a

"perplexing lack of clarity about exactly what NPfIT will now deliver."

In May 2008, the NAO published a progress update, which was much more robust than its earlier report. It concluded that the programme has

"largely failed to deliver on its central objective of detailed care record systems for acute hospital trusts".

Not a lot was happening at that point because there was no software to deploy, so many people were employed but they were not necessarily doing very much. In October 2008, Nick Timmins of the *Financial Times* wrote about the national programme in a front-page story:

"Progress has virtually ground to a halt, raising questions about whether the world's biggest civil information technology project will ever be finished".

He quoted Jon Hoeksma from *e-Health Insider* who said that

"the key part is stuck"

and added that hospital chief executives did not want to take the system

"until they had seen it put in flawlessly elsewhere".

The second PAC report, published in January 2009, concluded that the programme's failures raised questions about the feasibility of the whole project and that the central contracts—the enormous local service provider contracts—were an encumbrance. Only nine months into his job, Matthew Bellamy quit as the chief information officer's right-hand man. Just before Christmas 2009, the then latest Health Secretary, the right hon. Member for Leigh (Andy Burnham), gave an interview in which he sang the praises of the national programme and said that

"parts of the NHS cannot operate without it".

Unfortunately for him, the then Chancellor of the Exchequer, the right hon. Member for Edinburgh South West (Mr Darling), took a different view—and said so in a television interview a couple of days later. He said that the national programme was

"not essential for the front line"

and announced that he was imposing a £600 million spending cut that took its budget down from £12.7 billion to a mere £12.1 billion.

Meanwhile, new year 2010 was not a happy one for the iSoft directors. The Financial Services Authority—the chief City regulator—announced that it had laid criminal charges against four former directors of iSoft: Patrick Cryne, the founder and former chairman; Timothy Whiston, the former chief executive; and former directors Stephen Graham and John Whelan. They were accused of conspiracy to make misleading statements. The four denied the charges.

Where are we now? We have yet another NAO report, published on 18 May this year, which states in even more bald terms that

"the aim of creating an electronic record for every NHS patient will not be achieved under the Programme."

The central aim of the programme will not be achieved under the contract. Several conclusions regrettably emerge about Connecting for Health. The first is about overpaying. It massively overpays: acute trusts are costing £23 million, when they should be about £8 million; the system for mental health and community trusts—RiO—is costing £8.9 million per deployment, when it should be about £1.5 million; and the other systems, such as the picture archiving and communications systems for digital X-rays—PACS—and N3 broadband, which everyone says is not particularly good anyway, are also massively overpriced. I should say in parenthesis that the digital X-rays are very good, but Connecting for Health should not have paid so much for them.

The second conclusion is on de-scoping. Connecting for Health has dealt with the problems it has faced by drastically reducing the scope of what is being delivered, but without corresponding reductions in cost. The third conclusion is the hiding of increased costs. The late deliveries meant there have been no running costs for systems that have not been delivered, and the surplus cash is being used to hide the increasing cost per deployment.

Fourthly, there are serious doubts about the commercial judgment and skill of Connecting for Health. It seems that every contract revision makes things worse. Very little of the originally expected system has been delivered, but despite that, the NHS seems to have little or no commercial cover. The Fujitsu termination, when it was fired from the programme, was farcical and generated massive potential costs and liabilities. The local service providers appear to be running rings around Connecting for Health commercially. As the *Financial Times* noted on 25 May this year, CSC is offering a one-third reduction in the cost of its contract in return for doing two-thirds less work. As the Cabinet Office observed, that would roughly double the cost compared with the original agreement.

The fifth conclusion is the danger of future high costs. When the contracts finish, there is inadequate provision to manage the systems in future. It takes a special skill to leave trusts stuck with systems that are

functionally very poor and out-of-date, which were not deemed adequate nine years ago, and still manage to expose them to enormous future costs over which they will have very little control. That is precisely what Connecting for Health is managing to do. Finally, there is a serious danger that Connecting for Health will put CSC in particular in a monopoly position. The proposed revised agreement may be open to legal challenge from other suppliers who have not had the chance to bid.

What should happen now? It is plain that the NHS IT programme has not worked and there is no evidence that it will work. Rather than squandering another £4 billion to £5 billion, which is still unspent, the NHS should recognise reality. Connecting for Health has failed to achieve its central purpose and should be closed down. I am afraid that it will not help and is now more interested in the preservation of its own position than in protecting the interests of taxpayers. NHS trusts must be set free to choose the systems that meet the needs of patients and medical professionals. They should have the power to source products locally that suit their needs, subject only to common standards.

11.38 am

John Pugh (Southport) (LD): I congratulate the hon. Member for South Norfolk (Mr Bacon) on securing the debate. In this field, he is very expert, persistent and learned, and I believe that he is writing a book on the subject—I shall give him a plug because he is too modest to do it himself. We have both followed the debate for a fairly long time. We have had Commons debates and there have been PAC sessions on the subject. We have attended meetings with Mr Granger and been to numerous conferences. We have even sat in Richmond house and watched the Lorenzo system work—it proved to be a little more difficult to get it to work in a hospital in real time, but none the less it looked good when we saw it.

I do not want to sketch out the sorry history, as the hon. Member for South Norfolk has done so most lucidly. Everybody in the Chamber realises that it was a procurement disaster, and a project management disaster. It did all the things that are not supposed to be done, such as failing to shift risk to the private sector, failing to be clear about the actual benefits, failing to involve practitioners and stakeholders, and failing to control costs. It was a bright idea, but it was not realistically assessed and ultimately had to be scaled back.

Much of it, as the hon. Gentleman said, might have happened anyway. The good side of it, if I can so describe it—the PACS, e-prescriptions, improved broadband access, telemedicine and so on—might well have happened, and we ought to recognise the fact. However, the project would not have done well in front of Alan Sugar on "The Apprentice", let alone the Public Accounts Committee. That is history, however, and to some extent we must now consider the present.

We are in unprecedented times of cash restraint, and we have to find £20 billion within the health service over the next few years. I doubt whether we will succeed, but we cannot abandon that target. Twenty or so hospitals will not achieve foundation trust status, and we cannot magic away their PFI debts or ignore the consequences that flow from dodging difficult reconfiguration issues. However, as we roll out Connecting for Health, the cost certainly matters. I believe that some of the costs, particularly those of the patient administration systems, are still being picked up by the ailing hospitals.

It is not easy to see how current health reforms will ease matters, as they will increase the diversity of providers and complicate somewhat the recording of data, as providers do it in different ways. That will add to the potential problems of data sharing and interoperability. Ultimately, we will require some merging of social care and medical records, and the changed landscape will necessitate appreciable changes in the choose and book system. I do not know whether we will be transferring or binning the existing IT programmes of PCTs, but it could be said that what we originally designed is now inappropriate—that NPfIT, an awful pun, no longer fits.

I believe that the Government have done all the sensible things in response to a difficult situation. They have allowed NHS trusts to adapt and develop existing systems. They have emphasised open standards and interoperability, and continue to do so, in order that we can have variety without undue chaos and do not end up being captive to a major supplier. That is the ultimate nightmare, and it was a big fear throughout the process. Indeed, although Granger tried to prevent it, it seems that he could not. The Government have sought to reduce and shave costs through negotiation or by cutting back on specifications. However, there appear to be a few problems with what is otherwise a sensible strategy.

First, I understand that, in these difficult circumstances, some of the key managers of the programme are to be the chief executives of strategic health authorities, but when they have gone I have no idea who will persist with the task and take up the burden. Secondly, savings within the NHS will lead to many of the much-maligned back-office staff going, and I presume that that will include NHS client-side IT people. The loss of client-side expertise will be a big worry, as it will make us even more dependent on the expensive consultants who got us into this mess. I note that McKinsey was pivotal in advising us to go ahead. I note also that, to this day, McKinsey has its feet well under the table in Richmond house, and is advising the Government on a number of problems.

The big problem, however, appears to be that we do not seem able easily to extricate ourselves or to revise contracts. Everyone agrees that that is necessary at the moment. Rather, I should say that we seem unable to do so without making matters worse. We seem doomed to spend another £4.3 billion, yet we need to save a further £20 billion. The fatal breakfast that Mr Blair had with the IT industry in February 2002 has come back to haunt us. Mr Blair might have been worried about his legacy, but it is now a worry for us.

I understand through the grapevine that this was a matter of heated debate at the last meeting of the PAC, which was a rather rumbustious affair. I saw Mr Nicholson shortly after that meeting, and I have to say that his account of events differed slightly from that of some hon. Members, in terms of how satisfactory an occasion he thought it was and how far they had got in their Socratic examination of the flaws. However, it seems that he and we are trapped between a rock and a hard place, and that there is not an easy way out.

[John Pugh]

The dilemma is not only ours; it is one also for the IT industry. The industry can help us to meet the Nicholson challenge, or it can compound it. It can work ever more closely in areas such as telemedicine and so on, and on how to produce genuine cost savings, including on the implementation of IT; or it can simply go on as before, selling us more kit that we do not need and software that we cannot use. If that is the industry's choice—it is the industry's choice as much as ours; we have to throw down the challenge to suppliers—it will face years of adversarial attrition as we try to cut costs, presumably followed by bad feeling and empty order books, and endless fulmination from the hon. Member for South Norfolk, who becomes increasingly frustrated as the drama continues. However, the industry could accept that it is a collective problem.

It is a very big collective problem, because at some point in time it will throw into stark relief what we do with the summary care record, which has less utility than we ever imagined and more complexity than we ever realised.

Ian Swales (Redcar) (LD): As a member of the PAC who was present at the rumbustious meeting to which my hon. Friend referred, I gained the impression that the suppliers were completely unprepared to consider the correct option of considering things differently and trying to be positive. It seemed that they were prepared to protect their positions to the hilt, which is partly why it was a rumbustious sitting. Does my hon. Friend have any advice on how to change the attitude of the suppliers?

John Pugh: Given that, uniquely in the UK, many suppliers are dependent on Government contracts in the long term, they have a stark choice between pleasing their shareholders and pleasing their long-term customers. They must recognise that. However, I am not sure how to achieve that while doing anything useful with the summary care record. I suspect that that may be a matter for another debate—and possibly a longer one.

11.47 am

Jackie Doyle-Price (Thurrock) (Con): I congratulate my hon. Friend the Member for South Norfolk (Mr Bacon) on securing this debate. I pay tribute to his tenacity in pursuing the subject. I know that he has a long-standing interest in it, and rightly so given the amount of money being spent on the project. I cannot compete with the way in which he articulated his case, or with his forensic and almost anorak-like knowledge of the subject, but I associate myself with the conclusions that he draws.

The project has always been over-ambitious. We would all agree that it has been poorly led and ineffectively delivered. As with many procurement projects in the public sector, the cost has escalated considerably. We have seen it happen too many times, and it is always entirely predictable. Indeed, senior leaders in the NHS were warned about that from the start.

The intention to ensure that health data should be made available at any time and anywhere was laudable, but delivering it has to be offset against the cost and whether it offers good value for money. Clinicians, practitioners and IT specialists throughout the NHS said that it would not work. Ultimately, clinicians will find their own way of doing things, and a top-down system will not work unless it is executed from the bottom up. As my hon. Friend explained, the decision to involve clinicians in the design of the system was not taken until late in the day and probably beyond the point when they could have had a useful input to ensure that the programme was fit for purpose.

Let me underline what my hon. Friend said. If we look at the initial programme of delivery and what we have achieved, we can see that we have not progressed far. Of the 4,500 sites that were contracted to receive the system, some two thirds have yet to receive anything. If we examine the progress made by Computer Sciences Corporation—my hon. Friend has outlined the history of its involvement with this case—we will see that it is contracted to deliver its systems to 97 hospitals, but so far it has delivered only four and none has been able to confirm that the system has been installed satisfactorily. Put simply, CSC has not delivered the goods against its obligations on the contract.

Once the contract is in place, everyone signs up even though it is quite clear that the company is not delivering what it promised. To be fair, in this case, the NHS started to renegotiate the contract in December 2009. None the less, more than [illegible] months later, no new contract or renegotiated contract is in place. CSC is still working on the same terms that it initially agreed to and we still do not have adequate delivery.

The NHS was quite clear when it said that it would not sign a new contract until it could see that Lorenzo was working. It is clear that we have to take some tough decisions because it simply is not working. As it is taking so long, we have to decide whether we are managing the project efficiently. Just how poorly does a contractor have to perform before a serious charge is made as to whether that contract should be maintained?

The NHS is an extremely powerful client. I know that suppliers have duties and obligations to their shareholders, but surely maintaining a good relationship with a customer that is as big as the national health service or even as the Government is important. We would expect suppliers to be slightly more conscious about what they are obliged to deliver.

Duncan Hames (Chippenham) (LD): I listened very carefully to the initial speeches in this debate. The story that I heard was that there are suppliers and contractors who have fallen by the wayside and who have been shot and had their business fed to the others. That leaves us with the dilemma of what happens if we are left with only one supplier. Where does that leave the bargaining position of the NHS? My hon. Friend will find that there have been contractors who have found that they were not going to get paid because of their inability to deliver on their contracts.

Jackie Doyle-Price: My hon. Friend makes an extremely good point. To be fair, those suppliers have acted extremely honourably with regard to their obligations under the contract. When it became clear that they could not deliver the software under Lorenzo because it was not fit for purpose, they took the honourable action and negotiated their way out. Such behaviour shows a lot about those suppliers. It is increasingly worrying that CSC in particular is finding itself in a monopoly position

because it has acquired and strengthened its shareholding in iSOFT. Who we negotiate with in the future is a long-term worry.

I associate myself with the conclusions of my hon. Friend the Member for South Norfolk about when we should take a decision on this project. Is it time for an emperor's new clothes moment, or are we going to continue throwing good money after bad in a project that is clearly not going to deliver?

John Pugh: Is it not enormously hard for parliamentarians to form a judgment on that when we are not party to the actual contractual details? We do not know what cancellation involves for the firm or for the development of the project.

Jackie Doyle-Price: That is a good point. I was coming on to say to the Minister that he must examine this matter with considerable rigour before deciding on the right course. The message that we got from the Department was that such contracts are complex, although it was rather unclear just how complex this one was. I urge the Minister to achieve maximum value for money because ultimately this is a lot of money that could have been spent on patient care rather than on delivering this programme.

My final point relates to how these big procurement projects should be managed. We have examined a number of them on the Public Accounts Committee. Too often we find examples of poor project management. Poor leadership is assigned to these projects, which then go on to spend incredibly large amounts of taxpayers' money.

When Sir David Nicholson appeared before the Committee, he was unable to answer a number of questions that my hon. Friend the Member for South Norfolk put to him even though he has been the senior responsible owner of the project since 2006. Until the machinery of government can put in place good project management disciplines to deliver effective leadership, we will continue to spend a lot of money and to fail to deliver on the intended project. I hope that this is a lesson not just for the Department of Health but for the Government as a whole and especially the Cabinet Office as it looks at how it delivers these projects and puts in place good disciplines, so that this unhappy experience is not repeated.

11.56 am

Neil Carmichael (Stroud) (Con): I congratulate my hon. Friend the Member for South Norfolk (Mr Bacon) on the important and fascinating debate. The detail he went into about the past 10 to 15 years was striking.

[Annette Brooke *in the Chair*]

There are some key issues that we need to consider. Procurement on this scale has to be properly thought out. The purposes of the project itself have to be properly defined. The question of value for money is obviously a key one. Let me go back to the introduction of the fax machine to illustrate my point. When the fax machine was first launched, lawyers found it difficult to accept that instant results could happen. They went through court cases to test the validity of a fax result, because it could deteriorate and so on. None the less, the problems had little to do with the technology and rather more to do with the culture of lawyers. There is a thread running through this whole sorry episode. We need not only better information sharing in the NHS, but the right culture and desire for it. Above all, we need a real reason for the system. I have been to one or two meetings about this whole scheme, and I have never yet really heard a proper description of its central purposes, except of course to exchange information. Obviously, one of the purposes is integration. I am talking about integrating the systems and the parts of the NHS that need to talk to each other rather more than they do at the moment.

Yesterday, I went to the Care Week event in the Jubilee Room and I met several carers, all of whom had similar stories to tell. One said, "The person I have been caring for has been going to two departments, but neither of them knew about each other." That is the sort of cultural issue that we must tackle and think about when we talk about IT. The real danger about IT is that people think it is a good idea so they must use it and apply it, but it is actually the other way round. We must be careful and set out the proper parameters and purposes for this IT project, and ally it to value for money. My hon. Friend's story shows that that has not been happening. We need to be much more careful about procurement, setting out commissioning requirements, understanding the need for cultural change, and properly looking at these contracts.

11.59 am

Liz Kendall (Leicester West) (Lab): Thank you for calling me, Mrs Brooke. It is a pleasure to serve under your chairmanship and to take part in this important debate.

I want to start by paying tribute to the hon. Member for South Norfolk (Mr Bacon) for his tireless work on this issue. His determination and tenacity in highlighting the problems and difficulties of a national programme for IT have been second to none. He frequently made the life of the previous Government difficult and I am sure that he will also be a thorn—perhaps a constructive thorn—in the side of the current Government. In his work, he has demonstrated the importance of effective parliamentary scrutiny and the difference that a Back-Bench MP can make. As a new MP, I hope to learn from his experience and follow, at least in some ways, his example.

The reason for the debate's importance is that effective IT can and must play a key role in improving both the quality and efficiency of health care. At its best, IT helps clinicians and patients share information about the quality of services that are available, which not only supports patient choice but improves standards of care. Good IT can also help patients to get care in different parts of the system without having to give the same information repeatedly about their conditions and treatments to different doctors and nurses. In addition, it can help clinicians and managers to develop more effective and efficient services, organising treatments and services around the needs of patients rather than vice versa.

As the hon. Member for Thurrock (Jackie Doyle-Price) rightly pointed out, one of the key challenges facing the NHS is to ensure that GPs, their primary care teams, social care professionals and specialists work much

[Liz Kendall]

more closely together, so that care is more effectively co-ordinated. Indeed, the NHS Future Forum said yesterday:

"Better information systems and the development of more integrated electronic care records will be a major enabling factor for this."

The national programme was meant to help the NHS secure those objectives. However, as the hon. Member for South Norfolk has eloquently outlined and as countless reports from the National Audit Office and the Public Accounts Committee have also shown, the programme has fallen far short of achieving them. There were poor specifications about what was required by Government and what suppliers could deliver in return. In addition, as the hon. Members for Thurrock and for Stroud (Neil Carmichael) have said, there was over-claiming by both sides about what could be delivered and by what date. Furthermore, there were poor lines of accountability and responsibility for the programme, at least in its initial stages. All of those problems have led to one delay followed by another and, crucially, to a lack of control over costs.

I do not intend to go over those problems in detail. My knowledge of the subject is nowhere near as comprehensive or forensic as that of the hon. Member for South Norfolk. Instead, I want to take a step back and suggest three broad lessons that need to be learned from the problems of the national programme, as part of a constructive contribution to the Minister that he can take forward in his thinking on this subject.

The first lesson is that any IT system, whether it is in the NHS or elsewhere, must be led by its users. In the case of the NHS system, it must be clinically led. That is not only about getting clinical "buy-in" but about ensuring that doctors and nurses directly shape and develop the IT system so that it helps them do their job properly for the sake of patients.

NHS clinicians have said that they want IT to achieve five key objectives: first, allowing information about appointments to move around within hospitals, and between hospitals and the rest of the NHS, so that appointments can be booked; secondly, communicating information about discharges from hospital to hospital, and from hospitals to GPs and community services, so that staff in all parts of the system know what conditions patients have; thirdly, allowing staff to book tests such as MRI scans, ultrasounds and so on, and to get the results back to the patient and their clinician at the right time and in the right place; fourthly, the ability to schedule all the different tests, treatments, operations and so on that a patient has in a way that meets the needs of the patient; and finally, enabling electronic prescribing of drugs and the gathering of necessary pharmaceutical information to ensure that patient care is as safe and effective as possible.

Those five key objectives emerged from a consultation exercise with clinicians in 2008. However, as the hon. Member for South Norfolk has said, that was too late; the consultation exercise should have happened before the contracts were signed and not halfway through the process.

Can the Minister say how the Government will ensure that clinicians continue to be involved in developing the IT strategy for the NHS? Did the NHS Future Forum consider the IT strategy as part of its recommendations to Government? I ask because there was only one small line on the IT strategy in that report. Also, have the Government received any specific responses on this issue and, if so, will the Minister publish them?

On a related point, can the Minister say when he will publish the Government's information strategy? In October 2010, the Government published "Liberating the NHS: an information revolution". That document set out the Government's plans to ensure that patients, the public, clinicians and managers have the information that they need to improve health and health care. I do not agree with some of the tone of that document; it seemed to suggest that the previous Government had done nothing on the matter. When Labour was in government, we acted on he issue. For example, if one considers a programme such as NHS Choices, to which there was quite a lot of opposition at the time, one can see that we moved the agenda forward. Having said that, I absolutely agree that we all need to go further.

My concern is that the consultation on the Government's information strategy closed six months ago today. In that time, the Government could have provided more information to patients and the public to improve choice and quality. When will that strategy be published?

The second lesson that we can learn from the national programme is that we cannot have a one-size-fits-all IT system in the NHS, or indeed in any health care system. As Sir David Nicholson, chief executive of the NHS, told the PAC on 23 May, attempting to provide one type of medical record that covers everything for everybody everywhere in the country "has proved unworkable". The challenge is striking the right balance between what—if anything—is delivered centrally and nationally, and what is delivered locally. That is a perennial challenge in all parts of the NHS and needs to be thought through.

The national programme is currently being reviewed by the Cabinet Office's Major Projects Authority. On 18 May, the Minister told Radio 4's "Today" programme that he wants to allow local hospitals to adapt their existing systems rather than to get rid of them altogether or, indeed, to scrap the national programme for IT. Last month, David Nicholson told the PAC that the Department of Health wants to move towards a situation whereby hospitals have their own direct relationship with software suppliers and where individual organisations take responsibility for their IT. However, he also said that, with all the reorganisation of the NHS that is going on, we need an interim step, a transitional body that will

"look very similar to Connecting for Health".

He said that it was very important to have that body,

"to enable us safely to transit from where we are at the moment to a place where individual organisations take responsibility."

I would like the Minister to explain a few things. What is that transitional body? Who will be responsible for running it? How much will it cost? How will it be different from Connecting for Health? At what stage will it disappear and how? Finally, if a national, centrally led programme has been part of the problem in the past, why will this new national, centrally led body somehow deliver the future when individual trusts are in control?

The final lesson that must be learned relates to a point that the hon. Member for Stroud made, which was about a much bigger problem for Government than

the other problems that I have mentioned. How do the Government have an effective relationship with the private sector in contracting with it, not only in relation to IT projects but to all sorts of other projects? I am thinking, for example, about the problems that the Ministry of Defence has experienced with its contracting. Successive Governments have found it extremely difficult to negotiate effective contracts with the private sector, and not just IT contracts. It is fair to say that they have not exactly covered themselves in glory in that respect.

Duncan Hames: Will the hon. Lady reflect on whether one reason why Governments have such difficulty in controlling contracts with the private sector is that politicians routinely make policy changes that alter the specifications for what is required, and contracts are not able to accommodate that? I wonder what lessons she might learn if we looked, for example, at how the choice agenda was rolled out in the NHS during this period, and at the demands that that placed on changing requirements for private contractors.

Liz Kendall: The hon. Gentleman makes a very important point about the nature of the political process, with politicians frequently determined to fill the newspapers with headlines about new policies, while the difficult process of implementation takes far longer on the ground. When I had the privilege of working in the Department of Health, I saw the NHS Choices project and thought, "This doesn't look like what I thought the politicians meant. It wouldn't give me, as a patient, the information I needed about which consultant or hospital to choose." There is, therefore, the problem of how about we go from a political idea to a policy on the ground, and how quickly that changes.

With the greatest respect to the civil servants sitting in this room, we have perhaps not thought through effectively what kinds of skills and experience are necessary in Departments. What steps has the Minister taken since the Government were elected to ensure that the Department of Health has people with the right skills and experience to deal with such high-level negotiations? Have the Government as a whole decided to look at that issue? Has the Cabinet Secretary, Sir Gus O'Donnell, considered how best to ensure that there are people across the whole civil service with the skills and experience that politicians urgently need to support them in their work?

I thank all Members for their contributions today. This is a very difficult subject, and we need to find a way through that does not waste more taxpayers' money but understands that IT and information are crucial to improving health and health care. The key issue is how we get there.

12.12 pm

The Minister of State, Department of Health (Mr Simon Burns): It is a pleasure to take part in this debate under your chairmanship, Mrs Brooke.

I congratulate my hon. Friend the Member for South Norfolk (Mr Bacon) on securing this debate. His forensic analysis of what has happened over the past decade or so made it clear that he has a justifiable reputation as a leading expert in the House on the subject, and it is due to his tenacity that things are done and things are found out, and that we can be kept on our toes through the legislature holding the Executive to account. In a mood of bonhomie, I also congratulate the hon. Member for Leicester West (Liz Kendall) on her tribute to my hon. Friend. That was particularly magnanimous of her because, for the vast majority of his 40-minute speech, he was criticising her Government's performance in creating the situation we are in, and for the mistakes and problems that have flowed from the decisions taken at the beginning of the century.

I agree that IT is crucial to a modernised NHS. We need to be able to record, store and exchange information if we are to realise our ambition of having health outcomes that are consistently among the best in the world. The previous Government's centrally driven, top-down vision of NHS IT began in 2002, and the original title was "Delivering 21st century IT support for the NHS." Sadly, however, the vision took an approach that was more akin to the early post-war years of the 20th century. It was clear to us, even before we took office, that the approach made little sense, and that to deliver a modern health service we needed a more flexible and locally driven approach—a view shared, ironically, throughout the NHS.

Last September, I announced that we should no longer talk about a "national programme for IT":

> "Improving IT is essential to delivering a patient-centred NHS. But the nationally imposed system is neither necessary nor appropriate to deliver this. We will allow hospitals to use and develop the IT they already have".

So, rather than the old "replace all" strategy of the previous Government, we favour a strategy of "connect all." It makes no sense to rip out and replace systems that trusts already successfully use, and we have, therefore, put local NHS organisations in control of introducing new systems. Rather than a single national programme, we should view the strategy as a series of related projects, categorised under national infrastructure, national applications and local services.

It is clear that, over the years, the scope of the national programme expanded, but it is now vital that we focus our investment and energies on the things that will make a difference to the quality of care. We asked clinicians what they wanted from NHS IT systems and they came up with five things that they believed were critical to them and their ability to carry out their duties. They were: a patient administration system that integrates with other systems and provides sophisticated reports; order communications and diagnostic reporting; letters with coding for patient discharge, clinics, and accident and emergency; scheduling for beds, tests and theatres, and e-prescribing. In addition, we are focusing suppliers on key departmental systems, such as those needed to support maternity, child health and accident and emergency, which, taken together, will make a significant difference to the experience of patients and the working practices of clinicians and managers.

At the same time as changing the approach and scope of the programme, we have closely examined its costs. There is little we can now do about the money that has already been spent, but we have been able to reduce the cost forecast from 31 March 2010 by £1.3 billion—about 18%. The savings will come from the companies supplying services, from reduced local costs and from our internal overheads in managing the programme. Suppliers will reduce their costs by £670 million, local

[Mr Simon Burns]

costs will reduce by £200 million and we expect to save £400 million on our internal central costs. That is a 25% saving of the total internal budget, and 40% of the amount that the previous Government expected to be spent from the end of March 2010 to the end of the programme.

We have asked local service providers—the companies delivering the contracts—to change their scope and their delivery model and to reduce their costs. We have reached agreement with BT but still have some way to go before we come to an agreement with CSC. We will absolutely maintain the principle that suppliers will get paid only when they deliver working systems. We are pushing harder for faster results, and have made it clear to suppliers that we will not tolerate further delays. It is important to state that every single penny saved will be reinvested in improving patient care.

When it comes to NHS IT, there are, I am afraid, no easy choices. Several Members have mentioned that we have just carried out another major projects review, the outcome of which we expect to know in two to three weeks' time. Until we have had the opportunity to consider the review's conclusions, we will not be making any decisions on future investment.

It should not be said, however, that nothing has been achieved over the past decade, as many essential elements have already been delivered. Regarding national infrastructure, there is the spine, which is the core service that connects all other systems at both national and local level and handles, among other things, more than 11 million daily queries made on the personal demographics service.

N3, the secure network that links all NHS organisations to each other, to outside data centres and to the internet, has almost 50,000 connections. The NHS internal e-mail service handles 2 million e-mails every day.

As for national applications, every day, choose and book processes about 30,000 appointments, the electronic prescription service sends about 660,000 prescription messages and about 2,000 records are transferred electronically using the GP2GP system. On the summary care record, as a result of the two reviews that I commissioned last summer, we now have agreement on the core data to be held and the approach to roll-out. More than 30 million patients have been contacted about the summary care record.

Systems implemented by the programme are making a difference to patients' experiences and to clinical efficiency, safety and effectiveness. For example, at Morecambe Bay, infection prevention is now fully electronic, using the Lorenzo system. In St Barts, clinicians are alerted to all patients carrying MRSA through the Millennium system. The Royal Free hospital has also used Millennium to create safety procedure information, including for endoscopy data and bleeding guidelines.

Although progress in delivering local systems has been slower than anticipated, BT has delivered community and mental health systems to all trusts in London and the south that requested them, and the Cerner Millennium system to just over half the London trusts that require it. CSC has delivered to 83 acute trusts in the north, midlands and east of England using upgraded interim systems. It has also delivered iSoft's Lorenzo e-patient record system to 10 trusts and completed delivery of 137 prison health IT systems across the country.

The NHS needs local systems to be fully integrated with the core components supplied by the programme. The interoperability toolkit will help. It is a core part of the "connect all" strategy, enabling trusts to exploit their existing systems fully. There is a great deal of interest in the approach; 78 suppliers and 71 health organisations attended the last forum on the toolkit. It is already being used to good effect at Newham hospital to deliver a patient check-in kiosk, and at Liverpool Broadgreen hospital to provide a consolidated view of patient information across multiple care settings.

All but 14 of the more than 8,000 GP practices in England have a system supplied by either the national programme or the GP systems of choice scheme, which has allowed us to maintain several small and medium suppliers in the market. In the south, we have used the additional supply capability and capacity framework for community and mental health to bring together 10 trusts to leverage their combined buying power while increasing their choice.

Security must always be at the front of our minds when we consider NHS IT systems. Great care is taken to ensure that systems are secure, and we carry out regular tests to ensure that they cannot be penetrated inappropriately. My hon. Friend will have heard late last week about the hacking of the SHINE sexual health website run by the East London NHS Foundation Trust. The website was an information-only site that carried no patient data and a local service that was not connected to any data held nationally. The issue was dealt with promptly, and the trust urgently reviewed its local security arrangements and is satisfied that no further breaches are possible. We also operate a rigorous process of role-based access controls to ensure that only the clinicians treating a patient have access to sensitive clinical data.

Because NHS systems are so critical, they need to be far more robust and stable than those outside the programme. We invest a great deal of money in ensuring that if systems go down, each and every component can be automatically recovered. Should a whole system fail, it can be recovered and made available for clinicians to use within two hours. Of course, such a level of disaster recovery does not come cheaply, which helps explain differences in price between some systems in the programme and similar systems procured by some trusts outside the programme. Systems bought locally will need to meet the technical and data standards laid down by the national commissioning board in order to participate in the networked environment.

I turn to the points raised by the hon. Member for Leicester West and my hon. Friend the Member for Thurrock (Jackie Doyle-Price). The hon. Member for Leicester West asked about the role of the NHS Future Forum. There were no specific responses about NHS technology systems, but it is clear that information flows are essential to link interventions and outcomes. However, as she said, we concentrated on the information revolution through the document that flowed from the White Paper last summer. As she also said, a consultation was held. We have been considering the responses, and we will publish them in due course. At the moment, I cannot give her a definite time.

The reason for the delay—I hope that she will appreciate this—is that during the eight to nine weeks of the listening pause on NHS modernisation, a decision was taken not to publish the responses to the information revolution consultation, if only to help the hon. Lady, so that she could not accuse us of not pausing sufficiently to listen to people and of carrying on regardless of what was going on in the listening exercise. I hope that she will give us credit for holding a genuine listening exercise and appreciate why we did not publish during that period. It was not least to forestall her criticism of us for doing so.

The hon. Lady also asked about the transitional vehicle. As she will appreciate, it is required to manage the existing arrangements and support local systems. It will not determine what needs to be done; the shape, scale and timeline have still to be determined exactly. We are working on it as part of the response to the pause, and we will determine in due course how it will operate to provide that support and move forward under the auspices of the national commissioning board.

My hon. Friend the Member for Thurrock asked about ensuring value for money and checking everything. I can give her assurances on that, because it is crucial. There is little point continuing to talk about the past, partly because we were not responsible and would not have done things as the last Government did them. We are where we are. We must learn from our mistakes and move forward. I hope that my hon. Friend will accept from my comments that we have grasped the nettle, accepted that the approach was wrong and learned from our mistakes, and that we will continue to learn and to seek to ensure that we have the information system critical to a modernised NHS and improved and enhanced patient care and patient experience, while minimising the problems that have haunted this episode ever since its introduction a decade ago.

I hope that my hon. Friends and the hon. Member for Leicester West will accept that we are moving forward, learning lessons from the past and seeking to ensure that we have a system that meets the requirements of a modernised NHS and, above all, is fit for purpose and does what the NHS needs it to do.

Property Regulation (Holiday Lettings)

12.29 pm

Andrew Stephenson (Pendle) (Con): It is a pleasure to speak under your chairmanship, Mrs Brooke. I am grateful for the opportunity to initiate this debate on the effect of property regulation on holiday lettings. This debate will be of interest to colleagues representing constituencies with beautiful countryside, coastline or other features that lend themselves to tourism. I am glad to say that Pendle is one such constituency, with rolling countryside and picturesque villages. Only last week, plans for a new 76-berth marina were approved.

Properties that are made available to let for holidaymakers are a vital part of tourism in the UK. Typically, these are attractive, domestic properties, owned by a couple or a family, and some are managed by an agency. They are the smallest of small businesses and in great need of protection from fruitless and costly regulation.

I have called this debate because I am concerned that holiday lettings are not getting the protection that they need. I wish to start with a quote from a "Dear colleague" letter that I received only last week from the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk). The letter mentions the "one in, one out" system of regulatory control introduced by the Government. Apparently, planned regulations have been cut from 157 to just 46, with only 11 of those adding to the regulatory cost on businesses. I welcome that, and emphasise that it is my intention to help the Government by identifying where they can clearly go further. I believe that we all want small companies to be relieved of pointless, costly and dubious regulations, and I applaud the Government's record on that so far.

The letter finishes by saying:

> "We are continuing to work hard to cap the cost of new regulations. In addition, we are tackling the stock of existing regulations, ending the 'gold plating' of EU regulations and have scrapped measures that would have cost SMEs £350 million each."

However, holiday lettings face two costly challenges in upcoming regulations, one of which is being defended as a European Union requirement when it is not being adopted by any other European country. I refer to the change due to happen at the end of this month, whereby holiday lettings will be required to provide an energy performance certificate, and to the review of the controlled waste regulations that are due to be introduced later this year. Both will force an unnecessary, costly, pointless and, I believe, legally questionable burden on holiday lettings, doing damage to British tourism in my constituency and many others. I hope to present a case that the Government can and should reconsider both regulations.

Let me start by addressing the controlled waste regulations. On 14 January, the consultation closed on proposals to replace or amend the Controlled Waste Regulations 1992. It was a joint consultation carried out by the Department for Environment, Food and Rural Affairs and the Welsh Assembly Government. Will the Government look again at these proposals, which would place an unfair cost on the shoulders of small business owners?

Hoseasons, an agency representing those wanting to let their properties for self-catering holidays, which employs about 500 people in my constituency, produced

[Andrew Stephenson]

a submission highlighting its concerns about the proposed changes, stating that they could damage the viability of letting self-catering holiday cottages. Having first been scheduled to come into effect on 6 April, the document has been postponed by DEFRA and will come into force sometime in the near future.

The publication tells us that waste from domestic properties used in the course of a business for the provision of self-catering accommodation will now be classed as commercial waste. This causes a discrepancy between properties that are let for long-term domestic residence and properties that are let for self-catering holidays. The person letting their property for the full calendar year has their tenants' waste classed as domestic waste, whereas the person letting their property as a holiday cottage for more than 140 days of the year will be charged commercial rates, even though the property may be empty for the majority of the year.

That seems wrong, because the use of both properties is fundamentally the same: both are used for living in as a place of residence, and the owner of the property makes a profit in both cases. The injustice is that the owner of a holiday cottage incurs extra expense without necessarily receiving more income. That may lead owners to decide to let their property full time, to lessen their outgoings and increase their income. This in turn could impact the strength of the rural tourism industry, because the properties may no longer be viable as holiday lets. More than 67 million domestic holiday trips were made in 2009. I am sure that everyone will agree that the regulations are impacting the future not only of agencies such as Hoseasons in my constituency, but of every individual who lets their property to holidaymakers for more than 140 days of the year.

If we look at the proposals of the controlled waste regulations, we will see that the amount and type of waste in question is the same. Do we really need to charge different rates for the same collection, based on whether a property is being rented for a week or a year? Section 75 of the Environmental Protection Act 1990 defines household waste as from a domestic property that is solely for the purposes of living accommodation. Defining this waste as commercial would presumably require a separate collection service. Would this mean heavy-duty refuse trucks pounding down rural roads just to get to what are often small cottages, or are holiday lettings being asked to pay more for the same service, in which case, why increase the cost of waste collection?

My final point in relation to the regulations is on recycling, an issue important to us all. Most local authorities offer a free collection service of recyclable materials from all domestic properties. Classing waste from holiday properties as commercial would make them ineligible for this free service, thus providing a disincentive to recycle. The last time I stayed in a holiday let was a few years ago, when I decided to spend the new year with a group of friends. Needless to say, while, naturally, we are all very responsible drinkers, our stay resulted in several empty wine and beer bottles, which were dutifully placed in a recycling box for disposal when we left. I fail to see how making such properties ineligible for domestic recycling services—meaning that I would have had to put those bottles in a commercial waste bin—will do anything to help the environment. Will the Government look at the regulations, so that owners and guests alike are encouraged to recycle and can assist local authorities in meeting recycling targets?

I now turn to energy performance certificates, which were first introduced in England and Wales on 1 August 2007. They are required only for newly purchased or rented accommodation. The question is whether a holiday letting should fall into that category. I would like to run through a few of the reasons given for why they should, and why those reasons are not persuasive.

Anne Marie Morris (Newton Abbot) (Con): I commend my hon. Friend for calling this debate, because holiday lettings are key to our local tourism industries. I am glad that he has raised that point. Does he agree that the EPC certificate will, effectively, become a tax on tourism? It will also be extremely hard to enforce, because a lot of the lettings are not done through agencies. That, combined with the Finance Bill changes, which change the categorisation for relief, will give holiday lettings, which are small businesses, a real problem.

Andrew Stephenson: I thank my hon. Friend for that point. I know that this is an issue close to her heart. The certificate will be hard to enforce, because it applies only to holiday cottages that are being let for more than 140 days a year. How an owner of a holiday let will decide whether it will be let for more than 140 days over the coming year is up in the air. How can anyone predict how good, bad or indifferent the coming season will be? My hon. Friend has made a good point about how the provision will be enforced. I was not going to address that issue, but it is critical.

EPCs would not serve holidaymakers, because those who stay in a holiday letting do not pay the energy bills. They have no need to see an EPC, unlike a prospective buyer or tenant, who needs to see one when looking at the energy performance of a property. When someone rents a property long term, they become liable for the energy bills, which is something that a holidaymaker in a holiday let never becomes.

The argument could be made that a holidaymaker would prefer to stay in an energy-efficient property, purely for environmental reasons. If so, we already have ways for customers to identify not just environmentally friendly holiday lettings, but those that have gone the extra mile through schemes such as the green tourism awards. Malkin Tower farm in Blacko in my constituency is an example of an excellent holiday letting that has been awarded a green tourism award and was the 2008 winner of the Pendle environmental business award.

One could argue that all properties ought to have an EPC, since all properties consume energy and we need to tackle climate change. Therefore, according to that argument, holiday lettings should have an EPC. I think that the fact that that is not Government policy—as I found out when I asked my hon. Friend the Minister, in a written question, what the policy was—means that it cannot be the reason why the Government want to push ahead with introducing EPCs for holiday lettings. The only reason that can be given for this additional cost and red tape on small business is the idea that this change will bring us in line with Europe, specifically the energy performance of buildings directive. That is the justification the Minister gave me on 7 June in response

to a written question on the subject asking how the new rules could be brought in, given the moratorium on new regulations from April 2011 for businesses with fewer than 10 people.

It will therefore surprise hon. Members to learn that England and Wales are the only EU countries currently choosing to force EPCs on holiday lets. We should remember that that change is due to come into force on 30 June this year, which is a matter of days' time. To be fair, France previously required EPCs for holiday lets but, after consideration and consultation, it revoked the law requiring them. I believe that, since 12 July 2010, no other EU country has forced EPCs on to holiday lettings and that England and Wales will be the only countries doing so.

I know that because I have, again, consulted Hoseasons, which has sister companies operating in the holiday letting market in more than 20 countries around Europe. It tells me that none of those companies reports any requirement for EPCs for holiday lets and it is therefore confused that the Government believe we are being brought into line with Europe. This is a classic case of the UK gold-plating an EU regulation—something that Ministers had promised to stop.

For the avoidance of any confusion, I understand that the EPBD states that all buildings are subject to the regulations unless specifically excluded. As holiday lets are not specifically excluded, it has been construed that the regulations must apply to them. However, the regulations also state that EPCs should apply only where a building is to be sold or rented. The question comes back to whether, when a customer makes a booking for a holiday let, that creates a tenancy, with the legal ramifications that go with it. I have received a copy of a document from Local Government Regulation that clearly suggests that it does not. I know that it has been in contact with the Department for Communities and Local Government to express its views on the matter and to make similar points to those I am raising today; for example, the fact that the holidaymaker simply has no benefit from having access to an EPC for the property where they are staying. It is fair to say that I agree with Local Government Regulation in its considered and sensible opinion:

> "To apply 'rent' in the usual sense to holiday accommodation is absurd and inconsistent with the generally accepted understanding of the term 'to rent'".

Given that no country in Europe takes such a view, why does the DCLG, even when it has received advice to the contrary from Local Government Regulation? I hope that the DCLG will reconsider its position as a result of today's debate.

I come back to what I said at the beginning: it is my intention today to help the Government here. There is a real need to cut regulation, to free up small business and to kick-start growth. Overall, the Government have done exceptionally well so far on that score. The Government's red tape challenge aims to reduce the amount of unnecessary regulation on business, but introducing unnecessary EPCs and waste regulations on holiday lettings is surely going in the wrong direction.

With an estimated 62,500 holiday lettings in Britain, the introduction of EPCs will create a bill of around £10.4 million. That is a serious burden to impose on genuinely small businesses. By abandoning these proposals, the Government would be acting in support of domestic tourism and helping to keep the cost of a holiday in the UK within the reach of those on lower incomes. The Government would be acting in support of small businesses and in support of reducing red tape and pointless regulations. The Government have done a lot right, but they are in danger of getting it wrong on holiday lettings. By introducing EPCs and treating the waste from a holiday let as commercial, the Government would be upping the costs on an important but vulnerable sector of the British tourism industry.

I would like to leave hon. Members thinking about a holiday let in my constituency—Bobbin cottage in Earby. Bobbin cottage is a small, beautiful cottage with only two bedrooms which is ideally situated for the nearby walking trails. What will the impact of these changes be on Bobbin cottage? What benefit will there be from additional refuse trucks pounding their way through the rural roads of Earby to dispose of the latest holidaymakers' week's worth of banana skins and used teabags? Will the holidaymakers read the EPC for Bobbin cottage and think, "Well, it would be a nice place to stay, but will the landlord be paying too much for the steamy hot bath that I'll need to take after walking across Kelbrook moor?"

The reality is that these changes will not have a positive impact. They will make Bobbin cottage more expensive to run, which will be reflected in the cost of staying there and will make it harder for Britons to experience one of the most scenic parts of my constituency. For Bobbin cottage, domestic tourism and the tens of thousands of small business owners out there affected by these new regulations, I urge the Minister to reconsider.

12.44 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): I thank my hon. Friend the Member for Pendle (Andrew Stephenson) for bringing this issue to the House and the measured way in which he has made his case. As he rightly says, the matter covers two completely separate issues. Indeed, just to complicate my response, it covers two completely different Departments. I am speaking as a Minister from the Department for Communities and Local Government, so I will certainly ensure that his words about the controlled waste consultation reach the ears of DEFRA Ministers. However, I am sure he will understand that I am not in a position to give him too much of a glimmer of light in respect of that, although I would be very happy to ensure that he gets a response from my colleagues in DEFRA on the matter.

What I can do—and hope I will do—is set out the position on energy performance certificates. I am not at all surprised that my hon. Friend has reported confusion and concern. I have to tell him that that has been followed up by a lot of correspondence. So I have confusion, concern and correspondence to sort out in my role as Minister. The first thing to say is that the matter is not a pretty picture as far as the Department's previous performance is concerned. As he said, the EU directive came into force in 2007 and it clearly applies to all buildings. Just for reference, about 6.4 million energy performance certificates have been issued to homes in this country, so we are not dealing with a trivial number of homes.

When the directive was first published and approved at a European level by the United Kingdom among others, it provided that countries could if they chose to

[Andrew Stunell]

do so put in place a derogation for holiday lets of less than 4 months. The first mistake is that that opportunity to take a derogation was not pursued by the United Kingdom. If it had been taken, the derogation would be there now and today's debate would not be needed. However, as I say, that derogation was not taken.

To compound matters, unfortunately I have to tell my hon. Friend that, a year after that—in 2008—the Department issued guidance that, contrary to the position outlined in legal parlance, claimed all holiday lets were exempt. That was the exact opposite of the legal position then in force. During 2009, it came to light in reviewing the application of the regulations that that double mistake had been made. That led to a consultation last year and, in February 2011, the Government announced their intention to apply the EU directive—if I may put it this way—in an underogated state, starting in June this year. There has been a very unsatisfactory record of missed opportunities and mistaken advice on the matter and, understandably, a large number of hon. Members have been approached by constituents who are confused but, more to the point, concerned by what has happened.

Let me first set out some of the facts of the situation and the reason why the Government are now saying what they are saying. EPCs are required on the sale, rent or construction of a building, including any property that is rented out as a holiday let for a combined period of more than four months in any 12-month period. My hon. Friend challenged the interpretation that a holiday let was a tenancy. It is important to make clear to the Chamber that there is a definition that covers this in the Housing Act 1988. Perhaps that is unfortunate, from the point of view of my hon. Friend. It states:

"A tenancy the purpose of which is to confer on the tenant the right to occupy the dwelling-house for a holiday."

In terms of interpretation, that is a crucial point. There is no doubt at all that, from the UK legal point of view, such a holiday let is a tenancy and is therefore caught by the EU directive.

My hon. Friend asked how landlords and owners would know whether their property was to be let for four months, or six weeks if it was a bad season. The directive is clear. The point is whether the owner intends to rent out for more than four months—the intention is the question that has to be decided. I bring that to the Chamber simply to report the facts of the case. I do not seek to rebut every point made by my hon. Friend.

Andrew Stephenson: On the difficulty of enforcing the regulations, will the Minister clarify how intention can be proved? If every owner in the country decided that it was their intention to let their properties for only 130 days a year and they happened to let for longer, would they fall foul of the regulations? Their intention would have been to let the property for less than 140 days.

Andrew Stunell: My hon. Friend asks a worthwhile question. I imagine that it would be quite difficult to achieve a burden of proof to prosecute somebody for underestimating their intentions. I understand that the Department is not aware of any prosecutions under the regulations. Compliance is self-driven, rather than driven by prosecutions.

My hon. Friend raised the issue of cost. Undeniably, there is a cost to having an EPC—probably in the range of £50 to £80, depending on the provider. My hon. Friend quoted the figure of £10 million. That figure is for the total cost over a 30-year period, so we need to keep the scale of the problem in perspective. If the EPCs led to owners improving the energy performance of the cottages and homes that they let, they would receive a payback of £15 million in that 30-year period. There is, therefore, a net benefit in the provision of EPCs and the implementation of the energy-saving results that they will reveal—as there is for EPCs for the 6 million-plus that have been issued to ordinary homes. I want to ensure that we have it clearly on the record that there is a first cost, but that there is a potential for saving, too. As my hon. Friend recognised, that also makes a contribution to reducing the United Kingdom's carbon output.

I would like to correct one of my hon. Friend's facts, and to explore one of the propositions that he brought forward. He said that England and Wales would be the only countries enforcing this. They are already required in Scotland and Northern Ireland, so, depending on what we define as a nation, other places in the UK require EPCs. I asked my officials whether there was evidence of non-conformity by other European countries. I have been told that, having made inquiries to the European Commission, they are not aware of any country that is not implementing the EU directive in the manner that we now propose should be the case in England.

My hon. Friend produced some information about what France had done, and referred to the fact that a provider of holiday lets in his constituency had evidence from a much wider field around Europe. I hope that he will accept, as a glimmer of light, that the very first thing I shall do after the debate is seek whatever validation we can for those two pieces of evidence. We do not want providers in England to be at a disadvantage to other European countries simply because we have taken too robust a view of how the directive should be interpreted.

My hon. Friend referred to the Local Government Regulation document. I think that he has slightly over-egged his case. It has produced advice that says that an EPC is not required. The Department has attempted to get in touch with Local Government Regulation, which is a subset of the Local Government Association, to challenge or examine how it came to that view. Unfortunately, the member of its staff who prepared that advice is no longer with the organisation and we are having difficulty establishing how its view was arrived at. It may, quite reasonably, have been based on the advice, issued by the Department in 2008, to the effect that all holiday homes were exempt, but that was clearly not correct and clearly contradicted by the reality that no derogation was entered into by the UK in 2007.

My hon. Friend has raised these matters at the highest levels in government, and has made it clear that he believes that there are unnecessary burdens that could be lifted by the Government. As he acknowledged, the Government have a very good record on this. Indeed, an important part of what my Department attempts to do is to bust barriers. Barrier busting is something on which we wax eloquent. If my hon. Friend has, as he believes, found two barriers that we can bust, I give him an assurance that we will see what we can do to achieve that. However, the UK Government must correctly

interpret and comply with EU legislation. It is also extremely important to reduce the carbon output of the UK. Half the carbon output in the UK comes from buildings, and a quarter comes from homes. Tackling this sector is important. EPCs are an important part of what we need to do to set the climate, atmosphere and culture that will lead owners and occupiers to use their buildings in an energy-efficient way. I hope that he will accept my assurance that we are listening to the points that he has made. However, we have a duty to ensure that we not only comply with European legislation, but live up to our target to be the greenest Government ever and ensure that all kinds of householders play a full and active part in helping us to do so.

Motoring Fuel Costs

12.59 pm

Robert Halfon (Harlow) (Con): It is a privilege to speak under your chairmanship, Mrs Brooke. I am grateful to Mr Speaker for allowing this debate, and I want to congratulate FairFuelUK on its campaign for British motorists and for all the British businesses that have to buy petrol or diesel.

Let us get one thing straight: cars, vans and lorries are the lifeblood of British industry. More than 34 million vehicles are licensed in this country, which is one for every two people. That is why the current cost of petrol and diesel is one of the biggest brakes on economic growth and is crucifying many families who are struggling to keep their heads above water. That is especially true in my constituency of Harlow, where high costs are hurting many small businesses. I want to look at the current situation, the record profits of energy companies and what is to be done. As *The Sun* newspaper said in its editorial last Saturday:

> "It's welcome news that Parliament is to investigate why petrol prices remain sky-high even as the cost of oil plummets.
>
> While they're at it, they can look at why gas customers face 19 per cent rises from a firm with annual profits of more than £1 billion.
>
> Consumers are being fleeced from all sides when buying essentials.
>
> It's time our MPs stood up for us."

I am here, with my colleagues, to stand up for motorists.

Mr Marcus Jones (Nuneaton) (Con): Does my hon. Friend agree that there is huge frustration throughout the country about how, when the price of oil falls, the prices at the pumps seem to reduce very slowly and perhaps not to the same level, but when the price of oil increases, the petrol and diesel prices at the fuel filling stations seem to go up within minutes?

Robert Halfon: As ever, my hon. Friend has hit the nail on the head. I will set out in my remarks what is happening and what we should do about it.

Let us look at the numbers. In my constituency of Harlow, there are 33,000 households and 37,000 cars and vans. According to the Royal Automobile Club, which has done excellent work on the fair fuel campaign, we drive 9,000 miles a year. At 32 miles per gallon, an ordinary Harlow motorist is using 281 gallons or 1,277 litres every year. The cheapest unleaded petrol in Harlow that someone can buy is £1.33 a litre but in most cases Harlow motorists are spending £1,700 a year just to fill their tank. For most people, £2,200 of income before tax goes on that. That is a tenth of the average Harlow salary.

Caroline Nokes (Romsey and Southampton North) (Con): I congratulate my hon. Friend on securing this debate. He has quoted some interesting statistics, such as the average driver in Harlow travelling 9,000 miles a year, but in rural constituencies such as Romsey and Southampton North the statistics are more frightening, because the average motorist is travelling 10,000 miles a year simply to access essential services. Does he agree that the problem is particularly distinct and severe in rural areas?

Robert Halfon: I very much agree that rural people are also being crushed by the price of fuel. I am glad that my hon. Friend is here today to represent her constituency and the many rural residents who are suffering so much.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Coming from an area where fuel is more than £1.50 a litre at all our fuel stations in the Hebrides, and regularly so, I am grateful that the hon. Gentleman has secured this debate. Does he agree that the Office of Fair Trading has to show more teeth in looking at the distribution of fuel? As noted, when the oil price goes up, the price at the pump increases quickly, but when falling, it does not happen at the pump at all. The OFT must start investigating the trade for fairness.

Robert Halfon: I agree that that should happen. I also have another proposal, which I will set out later. I congratulate the hon. Gentleman on his work on fuel prices in a debate in the main Chamber some months ago.

Anne Marie Morris (Newton Abbot) (Con): My hon. Friend is being very generous in giving way.

Although the focus has very much been on the individual motorist, we have spoken a little about small business. If we combine the issues of rural businesses and micro-businesses, they are the ones that are badly hit. That is where we need the economy to grow. As for the range of prices, my hon. Friend talked about an average of £1.36 a litre, but in fact it is between £1.30 and £1.51, mostly in rural areas.

Robert Halfon: My hon. Friend is right. I will set out in a minute what the Federation of Small Businesses says about how the fuel price is crushing business and economic growth.

In total, my town is spending at least £63 million a year on petrol, of which about £40 million is tax. That does not even include gas and electricity bills, which are spiralling out of control. The budget of my local council is only £13.5 million a year. Imagine if people could keep even a fraction of that money in their pockets, to spend on the local economy, rather than giving it away to big oil companies, foreign countries and, dare I say it, the Treasury. However, I welcome what the Chancellor has done so far. When he refused to implement Labour's petrol tax of 4p in April, and cut duty by 1p, he saved Harlow motorists at least £2.5 million every year, putting fuel into the tank of the British economy when we need it most.

Rory Stewart (Penrith and The Border) (Con): I thank my hon. Friend for giving way and for securing this debate.

On the subject of the Chancellor's initiatives, does my hon. Friend also support the decision to have rural fuel pilots, and acknowledge that constituencies such as my own of Penrith and The Border, where we have nearly twice the distance to travel to GPs, post offices and job centres, need to be recognised in a different way? The Chancellor is to be congratulated on the steps he has already taken on rural fuel, and he should extend them.

Robert Halfon: I very much welcome that initiative. I will say later that I believe a commission ought to be set up to look at all kinds of ways of reducing the price of petrol for motorists—that is one of them.

David Simpson (Upper Bann) (DUP): *rose—*

Robert Halfon: I give way again, but then I must make progress.

David Simpson: The position in Northern Ireland is somewhat different from that in Harlow, because we have a land border. Currently, the Government are losing £280 million to £300 million a year on fuel smuggling and laundering of fuel. We are currently looking at the whole issue of corporation tax in Northern Ireland but, if duty on fuel were reduced or even if the suggested pilot scheme were in Northern Ireland, it would save the Government an absolute fortune, and would help the motorist and commercial enterprises in the long term.

Robert Halfon: As so often in Westminster Hall, as I said last week, I find myself agreeing with the hon. Gentleman. That might form part of the commission's inquiry. At the end of July, I plan to go in a truck to Europe, to see how truckers there manage to get all their fuel cheaply, while English truckers are paying far more. The hon. Gentleman makes an important point.

Returning to my constituency, we are a town held to ransom by petrol prices. Motorists are robbed of a tenth of their salary just to fill their petrol tank. Fuel poverty is defined as spending more than a tenth of income to stay warm. That is all about domestic homes, but what about spending a tenth of income just to drive to work, which is what motorists are doing? The issue is also one for welfare reform. I welcome the Government making great strides with universal credit, lower taxes for lower earners and the Work programme. Yet all those benefits could be wiped out by the rising cost of fuel. Every 1p increase in the pump price will cost the average Harlow motorist £13 a year. For someone on a low income, perhaps commuting from Harlow to Basildon, the actual cost would be much higher. Inflation soon adds up, and we must not let petrol prices become part of the poverty trap and deter people from getting off benefits and into work.

Nor should we forget rural constituencies. My hon. Friend the Member for Hexham (Guy Opperman), who cannot be here because of his recent operation, has campaigned for many years against the fuel poverty suffered by his constituents. He wrote to me yesterday:

"fuel is a necessity in a constituency of 1,000 square miles, not a luxury."

Throughout the country we see the same tragedy.

Naomi Long (Belfast East) (Alliance): I congratulate the hon. Gentleman on securing the debate. He mentioned specifically job creation and its importance in welfare reform. In a survey earlier this year, one of the issues the FSB picked up was that companies faced with rising fuel bills would stop creating jobs and might also look at laying people off. That has huge implications, in particular in Northern Ireland, where we have a higher proportion of small to medium-sized enterprises, as well as heavier reliance on fuel because all our freight, for example, is road-based.

Robert Halfon: I welcome the remarks of the hon. Lady. I am about to come on to the FSB, but she is so right in what she says. I am glad that there is so much consensus in the Chamber among all parties.

Andrew Percy (Brigg and Goole) (Con): I thank my hon. Friend for giving way. He is being very generous. The hon. Lady's point about the Federation of Small Businesses is important, but we must not underestimate—my hon. Friend is not doing so—the impact of fuel prices on workers. My constituency has a low-wage economy in a large rural area, and an announcement was made today that the Humber bridge tolls will rise to £3 for each crossing. That will conspire to put people off looking for work, because they cannot afford to get to work.

Robert Halfon: That is my whole point. High fuel prices have become part of the poverty trap, and are a disincentive for people to get back into work, despite the Government's excellent programmes, including the Work programme. I thank my hon. Friend for raising the matter.

Long-term stats from the Department of Energy and Climate Change show that in 1970 we used 25 million tonnes of petroleum in the transport sector. That has risen year on year, and doubled to 50 million tonnes today. But despite the UK being a net exporter of petroleum products, and despite the fall in the international oil price, our petrol prices are still sky high. In January this year, members of the Federation of Small Businesses said that if petrol prices continue to rise, 62% will be forced to increase their prices, risking inflation; one in 10 may have to lay off staff; 26% will be forced to freeze wages; 36% will have to reduce investment in new products and services; and 78% will see

"their overall profitability in jeopardy".

Taxation is only part of the problem, and another major concern is transparency. As the AA, RAC, and FairFuelUK have said, if the 2p drop in the market cost of petrol had been passed on to motorists earlier this year by energy companies, it would have wiped out most of the impact of the 2.5p VAT rise. In May, I wrote to the chief executives of Shell, BP, Total, and ExxonMobil asking for price transparency so that we can see why prices are not falling. So far, only Total and BP have replied, but their replies essentially said, "Nothing to see here."

In 2009, before the disaster in the gulf of Mexico, BP boasted profits of £8.7 billion. This year, Shell has reported first quarter profits up 40%, making its global profits nearly £2 million every hour.

Susan Elan Jones (Clwyd South) (Lab): I thank the hon. Gentleman for giving way again, and for securing this debate. I particularly support the points made about rural constituencies. Does he favour statutory obligations on those companies to be transparent and to pass on their profits to consumers?

Robert Halfon: I do not want to unveil all my secrets at once, and if the hon. Lady waits a bit, I will give her my proposal.

Total's profit rose 34% year on year, and ExxonMobil saw a 69% profit jump to $10.5 billion. We must acknowledge that some companies make a good return for pension funds, but a balance must be struck. I remember the fuel protests in 2000, when we were seriously concerned about the threat of petrol at 80p a litre. According to PetrolPrices.com, the excellent price comparison website, the most expensive unleaded fuel in the UK is now £1.51 a litre.

I accept that 64% of the petrol price is taxation, and I welcome the Chancellor's steps to slash some of the planned taxes, but the big oil companies must play their part. Why are prices so different at petrol stations, and why are they raking in such astronomical profits when small businesses are being forced into bankruptcy by fuel costs?

Mr Russell Brown (Dumfries and Galloway) (Lab): The hon. Gentleman rightly mentioned the oil companies. Did he witness the same thing as I did in my constituency eight or 10 weeks ago when some of the major supermarkets embarked on a price reduction of 5p a litre if customers spent a specific amount on goods, and at the same time raised the price of fuel by 4p or 5p a litre, which in turn forced the independents to put up their prices? The situation was contrived by some supermarkets.

Robert Halfon: The hon. Gentleman makes an important point, and that is why I am arguing for transparency. If supermarkets reduce prices, they must do so properly. We cannot have situations such as the one he describes. We often bash bankers, but oil barons are far worse, because they enjoy a semi-monopoly in the UK market, and most motorists have no alternative but to buy their products. We need transparency above all. Oil prices are falling, and we must ensure that the big companies cut their prices at the pump.

The green movement makes a case for expensive petrol, but modern vehicles have lower carbon emissions. Cars account for only 13% of our man-made carbon emissions. My argument—some hon. Members may say that it is controversial—is that environmentalism sometimes becomes a luxury for the rich, with no substantive answers, other than regressive taxes on energy. It is all too easy, in the cause of saving the planet, for the wealthy to insist that the poorest families should pay more in petrol taxes, and gas and electricity bills.

The impact of high fuel prices is particularly severe on road freight companies, and they are a major employer in Harlow. Road freight carries nearly 97% of everything we eat, wear or build with. High and rising fuel costs force the road freight companies to try to pass on the extra cost, and that stokes inflation. If they fail to pass on the increased costs, they go bust.

The road freight companies face a further cruel impact that the UK green lobby must consider. Fuel duty levels on the continent are about 24p a litre lower than in the UK, so hundreds of thousands of foreign lorries pour into the south-east of the UK and undercut UK hauliers. Foreign trucks pay no road tax here, and I welcome the Government's plans to introduce a £9 a day charge, although I believe that it should be a lot higher. Those trucks pay no fuel tax in the UK as their tanks are big enough to last all week and all their fuel is bought abroad. They pay no employment taxes. They simply come into the UK, drive our UK freight companies out of business, and pay nothing to the Exchequer.

Mr MacNeil: Will the hon. Gentleman give way?

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Will the hon. Gentleman give way?

Robert Halfon: I must make progress, but I will give way to the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) as he has not spoken.

Jonathan Edwards: I congratulate the hon. Gentleman on securing the debate. He is making some important points about green taxation. I agree with such taxation, but does he agree that it should be linked to clear environmental criteria, and that if it is not it will lose public confidence, which would be a crisis for the Exchequer and for environmental policy?

Robert Halfon: Of course there should be environmental criteria, but people too often have their heads in the clouds and do not realise that low petrol prices would make a huge difference to ordinary people who must use their vans to drive to work, drive their trucks to do their job, drive their minicabs, or drive their kids to school.

What is to be done? I believe in competition and choice. First, when a market is cornered by vested interests and semi-cartels, such as big oil companies, it is right for the Government to establish conditions for a fairer market. We need a fuel rebate so that when the oil price falls, big companies face a choice: either they cut prices, or the Government will impose a windfall tax on profits, and use the money to cut petrol prices anyway. That would be the solution to the great British petrol rip-off. Instead of the oil companies having us over an oil barrel, it would make them honest, and stop them profiteering at the expense of small businesses and families on the breadline.

Secondly, we must commit to no more petrol tax rises in this Parliament. The Government are pro-business and pro-growth, and have already given a commitment to scrap the fuel duty escalator, which was pushing up prices above inflation. The Chancellor has delayed inflationary rises by a year for the next two years, but will the Government go further, and consider abolishing even the inflationary rises?

Thirdly, we must establish a commission to look at radical ideas, and other ways for the Government to raise revenue, and to address the unfairness of UK fuel duty being so out of line with the rest of Europe. We must consider more toll roads in exchange for significant cuts in fuel duty, and how a fuel price stabiliser could work.

In conclusion, we need fair fuel reform with a fair fuel rebate to push prices down, no new taxes during this Parliament, and a commission to look at radical ideas to get petrol taxes down to the European average in the longer term. The 37,000 motorists in Harlow and the 34 million vehicle owners in the UK are being fleeced. For the sake of future growth and jobs in our economy, we urgently need reform.

1.20 pm

The Economic Secretary to the Treasury (Justine Greening): It is a pleasure to serve under your chairmanship, Mrs Brooke, and I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on securing this important debate—Harlow is a place I know well as I used to work there many years ago. He is one of a number of MPs who represent their constituents well by talking to the Government and Ministers about the concerning cost of fuel, and about how that is impacting on the ability of businesses across Britain to employ people, and on families and household finances.

In the short amount of time available, I would like to say why the Government agree that the cost of fuel is a concern, and mention some of the actions that we have taken to try to address that. I will then say a little about some of the things that we think need to happen during the rest of this Parliament.

Mr MacNeil: Does the Minister, or her Department, have any suspicion that high oil prices are the revenge of oil companies for the £2 billion that the Chancellor raised in the Budget through the North sea tax, which also threatens perhaps 15,000 jobs? Oil companies are losing money to the Government in one way, and are penalising consumers and people up and down the country.

Justine Greening: The hon. Gentleman raises an interesting point, but the price of oil is a spot price driven by commodity markets. We are talking about a part of the industry that is different from the area in which we chose to raise tax. We are working with industry to ensure that we mitigate any risk of a lessening of investment in the North sea as a result of that tax. As my hon. Friend the Member for Harlow pointed out, we needed to strike a balance to take into account the overall effect of high oil prices as they fed through into the broader economy in petrol prices and energy prices more generally.

The hon. Gentleman will be aware of the report from the Office for Budget Responsibility. It showed clearly that, although the Exchequer has some growing tax receipts, the dampening effect of the rest of the economy is also significant. We felt that although there was an overall impact on the economy, one sector—the oil companies—was doing much better from a high oil price. It seemed fair and sensible to look at how we could balance some of the value that was being generated by the high oil price, and to create a fairer split between oil companies and those motorists and businesses that bear the brunt of the prices at the pump. We are working hard with industry to mitigate the impact of our policy on investment—the impact was analysed as being small by industry observers such as Wood Mackenzie. This is an important debate, and the Government recognise that motoring is an essential part of life for households and businesses. Fuel costs affect us all, and as the price of petrol continues to rise, those costs have become an evermore significant part of everyday life for people and companies. We were keen to look at what could be done.

The previous Government left us facing the introduction of a fuel escalator from the 2009 Budget that would have involved seven fuel duty increases. I realise that in this half-hour debate, only a Government Minister gets the chance to respond to the Member who secured it, but I am disappointed that a shadow Minister is not present to listen to some of the concerns raised. One of our biggest challenges concerned how to deal with the proposed above-inflation increase in fuel duty. That increase could have resulted in average prices at the

pump being 6p per litre higher than they are currently. We would have seen above-inflation rises in 2012, 2013 and 2014. When we took office, no plan was in place to support motorists, and within the huge financial constraints in which we found ourselves, and with little room for manoeuvre, we had to see what we could do to address such an important issue.

Mr Russell Brown: I am sure that my colleagues will read *Hansard* tomorrow to see exactly what has been said. The Government inherited potential increases in fuel duty and the Chancellor has done the right thing by removing the fuel duty escalator, just as the previous Labour Government did. We also froze proposed increases in fuel duty on 11 occasions because of the increase in the price of crude oil.

Justine Greening: What was missing, however, was any kind of long-term plan for how to deal with changes in the price of oil feeding through to the pump. We wanted to look at how a stabiliser mechanism would work, which we felt would be in the interests of households, companies and the overall economy.

Mr Robin Walker (Worcester) (Con): I have been listening carefully to the Minister and, like other hon. Members, I am grateful for the actions that the Government have already taken. One issue that has been raised by Back Benchers from all parties concerns differential pricing around the country. There are sharp differentials—a difference of about 5p between petrol prices in Worcester and those 20 miles away in Cheltenham. Will the Minister comment on how the Government could address that issue and increase transparency, as my hon. Friend the Member for Harlow (Robert Halfon) has urged?

Justine Greening: My hon. Friend is right to raise that point. In a sense, the most extreme examples of that problem are the reason why we are bringing in a pilot scheme for the rural fuel rebate. We are making progress on that.

Mr MacNeil: When might we see that welcome rural fuel rebate and rural fuel derogation? We have been calling for such a measure for years, and although we welcome the progress made, we would like to have a date fairly soon.

Justine Greening: I say, "Me too" to that. We are working with the European Commission, and once we have clearance, we will get on with the pilots as soon as possible. We are keen to make progress on the issue, and I assure the hon. Gentleman that we are working and making our case in Europe. We must get agreement from the Commission, and unanimous agreement from European Finance Ministers. Once we have that agreement, we will be pushing on with the pilot schemes.

Andrew Percy: If we left the European Union, we would not need that permission—that is a debate for another day. I have some concerns about the rural fuel derogation applying in some areas but not in others. Rural areas such as my constituency have a low-wage economy. We have poor bus services and high toll-bridge costs—I know the Minister is committed to doing something about that, which is pleasing. A rebate should not apply to one rural area but not to others; we should be careful about doing that.

Justine Greening: We need to help families across the board. That is one reason why raising the personal tax allowance was critical—in any other Budget that measure would have got a huge amount of attention, but perhaps because of the other things we did, it got less consideration. The provision will benefit the lowest paid workers, and this year's rise in allowance, together with that of next year as announced in the Budget, will take 1.1 million people out of paying income tax altogether. We are right to have a targeted package to help motorists, and we know how important that is. We are also right to make progress on our commitment to increase the personal allowance. Such a measure will help many of those who feel the pinch most when the cost of living goes up.

Anna Soubry (Broxtowe) (Con): I am meeting hauliers next week and I speak on behalf of many people. Does the Minister have a message of hope for all motorists and hauliers in particular?

Justine Greening: We scrapped the fuel tax escalator and we understand how motoring impacts on the broader economy. Prior to the Budget, I was keen to meet groups such as FairFuelUK and motoring stakeholders. I assure my hon. Friend that I will continue to do what I can to stay close to the industry, and I will work with my hon. Friends in the Department for Transport to look at an overall approach that will support our economy as well as supporting hauliers, motorists and businesses.

Queen Victoria School, Dunblane (Military Covenant)

1.30 pm

Mrs Anne McGuire (Stirling) (Lab): It is a pleasure to have the debate under your chairmanship, Mrs Brooke. I am delighted that the hon. Member for North Wiltshire (Mr Gray) is present to take part in it, not least because he grew up in the town in which Queen Victoria school is situated. I am also delighted to have been offered the opportunity to introduce this short debate on Queen Victoria school, Dunblane, and its contribution to the military covenant.

As far as I have been able to trace, this is the first time that there has been a specific debate on Queen Victoria school, even though it has been in existence since it opened in 1908. It is therefore worth highlighting for the record the reasons for its foundation, the original aims of the school, why it was an early manifestation of what we now call the military covenant and why it deserves to continue making its unique contribution.

Built through subscriptions from serving personnel and other interested parties, Queen Victoria school was created in memory of those who had died in the South African wars of the late 19th century. At that time, it was for boys only. It was opened on 28 September 1908 by King Edward VII. At that time, he also laid the foundation stone for the school chapel, which was completed in 1910 and is Scotland's memorial to Queen Victoria. Various buildings have been added over the years, including the Macmillan sports hall to mark 50 years of the school's existence. Other changes included the admission of girls in 1996 and the move to a staff comprised almost entirely of civilians.

The school has always been under the control of the Ministry of Defence in its various manifestations; in fact, the school was administered originally under the auspices of the Department of War. The school was established under royal warrant. The situation was unique. The warrant was initiated by Queen Victoria but enacted by her son, King Edward VII, who signed it in 1908.

The warrant is interestingly worded. It says that the Department of War shall take over the said buildings—those that had been built by subscription—

"to uphold the same in proper condition and repair, and to efficiently maintain therein a School as aforesaid…under the name and title of the Queen Victoria School for the Sons of Scottish Sailors and Soldiers; As also out of funds to be voted in Parliament to meet and defray the whole cost of such maintenance, and all rates, taxes, feu-duties…and other annual and other outgoings in respect thereof".

The warrant also states that the then Secretary of State—in continuum, I suppose, through to the current one—

"further undertakes for himself… that the Said School and Chapel shall be maintained in perpetuity as a Scottish School in Scotland for the Sons of Scottish Sailors and Soldiers, that it shall be so maintained, managed, and administered on the lines indicated in a Royal Warrant which His Majesty is to be asked graciously to grant".

I am sure that the Minister has looked over the royal warrant. It is an impressive piece of drafting, which is designed to make the warrant watertight against the exigencies of future pressures, whether financial or otherwise. I can imagine that at more than one point in the school's history, the warrant has been pored over with great precision by MOD lawyers to try to discover whether there is a get-out clause.

The school was established to educate children of "other ranks"—in other words, not the children of officers. For most of its history, that has essentially been the pool of children from which pupils have been drawn. There are pupils whose parents are or may be officers, but for the most part, those parents have come through the ranks. From the outside, with its large campus, playing fields and, dare I say it, the somewhat Victorian if not slightly gothic look of some of the older buildings—I am sure that the hon. Member for North Wiltshire recognises that description—it looks like any other private boarding school, yet it is unique.

When the school was established, and through the greater part of its history, it would have offered pupils a very different experience from what is gained there now. From my observations of that history, there is no doubt that there was an emphasis on training the boys—only boys at that time—of soldiers and sailors to follow in their fathers' footsteps. For reasons that were prevalent at the time, and perhaps things that we do not quite understand now, it was not considered particularly important to open out options, particularly academic options, for those boys. The education would undoubtedly have been based on the model of the day: a strong emphasis on discipline—probably a harsh discipline—and on training and drill; and strong encouragement to follow dad into the Army or Navy.

The governance of the school is undertaken by Her Majesty's commissioners, with the current and long-standing patron being the Duke of Edinburgh. A comparison between the list of commissioners of only 30-odd years ago and those of today is informative. It gives an immediate impression of how the school has developed and now takes more account of modern educational and pastoral practice. A glance at the list of commissioners in 1974, for example, would, I think, cause us some concern in today's world. There is General Sir Philip, Admiral Sir Angus, General Sir Gordon, Air Marshal Sir Brian, Air Vice-Marshal A.—whoever A. is—a Major-General, a Lieutenant-General and a Vice-Admiral Sir. There is not a woman in sight until we get to the name of the residential school nurse. The ultimate authority at that time was not a head teacher, but a commandant, who was a retired brigadier. I am sure that they were all good men—I certainly do not wish to impugn the character of any of those who were commissioners at the time—but I suspect that they were drawn from a very elite pool and had very little if any educational experience apart from that of their own school days.

That contrasts with today's commissioners. The chairman, Bart McGettrick, is an eminent educationist with a national and international reputation. The commissioners, although still with their quota of military personnel as dictated by the original warrant, are drawn from a wider pool, including a Scottish woman sheriff who has extensive expertise in child care matters, and a local chartered accountant who lives in Dunblane, Mr Alan Plumtree.

The school also has links to the Stirling state network and the wider Scottish independent school network. Those links have been developed during the past 14 years or so and bring to the school a wider ambit of educational experience. Although no Stirling head teacher is currently

serving as a commissioner, there was one until recently. I trust that that important connection with both the mainstream state sector and the local educational sector will not be lost in future commissioner appointments.

However, I wish to highlight the contribution of Queen Victoria school to the modern military covenant. I want to test the Minister on one or two points to ensure not only that he currently values its contribution, but that the MOD takes seriously the commitment made in 1908 of support "in perpetuity".

Although QVS has changed over its 103 years, it still provides stability and continuity of education within the Scottish system for the children of armed forces personnel who are Scottish, have served in Scotland or are part of a Scottish regiment. That means that the pupils' parents can be in the Scottish regiments. Indeed, I know from my own experience that there are young Fijian children at the school, as well as children whose parents have volunteered for the Scottish regiments.

Sadly, the school is still needed in the same way it ever was. Although there are fewer orphans at the school nowadays, about 50% of the children were orphans at one point, because they had priority in the admissions process. Improved medical techniques mean that there are far more survivors of military conflicts, but some parents who return will be seriously disabled, and children of such battlefield survivors are coming before the QVS admissions board. In August, there will be at least one new pupil whose father is an amputee from a current conflict.

Unquestionably, many QVS families—probably the majority—could not afford boarding education for their children, even if they were in receipt of the continuity of education allowance. The MOD is tightening the CEA eligibility criteria, but even those who are still eligible will have to pay about 10% of their fees, as well as the extras levied by fee-paying schools. Such things would be beyond the means of most families with children at QVS. Even under the rumoured plans for more static Army, Air Force and Royal Navy units, there will still be some need for mobility, and that will not be limited to those—mainly officers—who can afford boarding with the help of the CEA.

There is also a sound educational justification for the MOD to maintain its commitment to QVS. A recent Ofsted report on the education of children of military families clearly identified the fact that there were significant issues with the quality of the educational experience of children whose parents were mobile or on active deployment. It noted:

> "A key feature of life in the Armed Forces is that families are likely to move home, to different parts of the UK and abroad, on a regular basis. The number of moves will be dependent on the length of service of the serving parent and their role within the Armed Forces... However...parents invariably identified the disruption, caused by their geographical mobility, as beingj the biggest challenge faced by themselves and their children. Disruption is further exacerbated for children in these families as they had to change schools generally outside of normal school term dates",

which adds to their difficulties.

Those are the very children QVS caters for, and the constantly improving educational achievement at the school is testimony to what it does. The exam results at QVS are above the Scottish average at O-grade and higher levels. The increasing ambitions of the children and their parents are being realised. On visits to the school over the past few years, I have seen that the young people leaving the school are going to university and college in greater numbers than ever before—something that I did not see when I became the MP for the area some years ago.

Mr James Gray (North Wiltshire) (Con): I congratulate the right hon. Lady on the excellence of the debate. I lived in Dunblane all my formative years and saw the superb education provided at Queen Victoria school. I entirely take her point about children of military families moving around. Does she agree that it is extremely disappointing that we have a Queen Victoria school in Scotland but no equivalent in England? Is it not time that we had one down here, too?

Mrs McGuire: The Minister might be venturing a step too far if he answers that at this point, but the MOD should perhaps take the QVS model slightly more seriously, particularly in some of the discussions it is having about the continuity of education allowance, because there are perhaps some options there.

I have some brief questions for the Minister. Given the importance of the military covenant, will he make it clear that his Department recognises the contribution of QVS and does not see it as some anachronism from a bygone age? I use the word "anachronism" because it was used in a report by the Select Committee on Defence four or five years ago, although the Committee also recognised the importance of maintaining the school.

Does the Minister recognise that mobile service personnel who cannot afford to access the continuity of education allowance should have their children's needs supported and that QVS offers a valuable resource to meet those needs? I am sure the Minister has heard the comments of the hon. Member for North Wiltshire on the issue.

Will the Minister encourage his officials to work with the commissioners to look at options to expand the facilities at QVS and to use them and the school's expertise to the benefit of a greater number of the children of mobile service personnel, giving them the opportunity to benefit from the stability and pastoral care offered by the school?

Next week, we will have armed forces day. On 24 June, QVS will have its grand day—a mixture of school prize-giving and end-of-term celebration. I hope that the Minister, before he perhaps moves on to higher offices in another Department—

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): Or gets sacked.

Mrs McGuire: I would never use that word to a Minister. However, I hope that the Minister will have the opportunity to come to the school to see its grand day. It is a fantastic celebration of the school, and I have been privileged to be present at it for the past 14 years. In front of their parents and families, the students parade in their Victorian scarlet uniforms and kilts to the beat of their own superb, internationally recognised pipe band. It is a day of high celebration and some emotion, as the sixth-year pupils leave the school for the last time. Grand day is a public statement of this country's support for these children, who allow us—the civilian population—to borrow their parents to protect

[Mrs McGuire]

our freedoms. Thankfully, most of the families will be reunited in safety. Sadly, some parents will not return, while others will be disabled for life.

I do not wish to see the school preserved in aspic. There are still ways in which it can develop its educational and pastoral potential, and I am obviously happy to discuss my views with the Minister on a future occasion. However, I want to leave him with some words from one of the pupils, which perhaps sum up why a facility such as QVS is so important to the children who attend it:

"Here are some numbers. The first is nine. Nine is the number of times my life has been loaded onto a lorry and taken miles away, sometimes across one border, sometimes across several. The next number is seven. Seven is the number of times I've had said to me, 'So how was your first day?'"

That is why there is a continuing role for QVS and an opportunity to see it expand as part of the Government's valuable commitment to the military covenant.

1.48 pm

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I congratulate the right hon. Member for Stirling (Mrs McGuire) on securing this short debate to highlight the work of Queen Victoria school in Dunblane. She takes a close interest in the school and has presented prizes there—perhaps she will do so on grand day on 24 June. I congratulate her on her obvious passion and support for the school.

The school has a long and proud history, which the right hon. Lady detailed. Its work chimes well with the Government's commitment to our armed forces and their families, which is part of the armed forces covenant. The right hon. Lady's first question was whether the Government recognise the value of QVS and, anachronistic or not—the school is rather unusual—we certainly value its work. I will discuss that further later in my speech.

The history of QVS is unique, although there are similar, but different schools in England. As the right hon. Lady said, the school was founded in 1905 by royal warrant. I was not going to mention the "in perpetuity" bit, but, unfortunately, she has already mentioned it. The school was originally founded by public subscription, but the Secretary of State for War undertook to maintain it for the sons of Scottish sailors and soldiers. Those responsibilities are now vested in my right hon. Friend, the Secretary of State for Defence. Responsibility for its day-to-day governance rests with the board of commissioners, and the right hon. Lady has told us who they are. I was glad that she did not want to attack the senior and distinguished commissioners from 1974. The commissioners report to the Adjutant-General on behalf of the Secretary of State.

Since 1908, the opportunity has been taken to widen and modernise the remit of the school, while staying in the spirit of its founding constitution. In 1919, just after the Royal Air Force was formed, the school was opened to children of RAF personnel. It became co-educational in 1996, when entry was extended to daughters of service personnel, and, as the right hon. Lady said, it accepted the children of officers in 1999. Its basic purpose remains consistent with the aims of those who contributed so generously to its establishment: to provide secondary boarding education for the children of Scottish personnel and personnel who have served in Scotland or are part of a Scottish regiment. Although parents are not charged fees, they make a modest contribution to ancillary costs, which is slightly more than £1,000 a year.

The two elements of the school—the fact that it is Scottish and for the services—have combined to give it the very special ethos and nature that makes it unique in the UK. As well as providing a sound academic education, the school offers its pupils the opportunity to participate in various Scottish activities, including Scottish dance and performing in a pipe band. I was in an English regiment in the Army, but the one thing that would have persuaded me to join a Scottish regiment was not so much the kilts—my legs notwithstanding—but the fact that I love marching to a pipe band. I am glad to know that that activity continues in Dunblane.

It is in understanding and meeting the specific needs of service children that QVS is most special. The recent Ofsted report on children in service families, which covered England and Wales but contains lessons equally applicable to all our service families, found that some service children's learning slowed or receded with the frequent moves that service life requires. It should be pointed out though that that does not feed through to attainment and there is no evidence of underachievement. Indeed, in the paper, "The Armed Forces Covenant, Today and Tomorrow", the Department for Education states that in England attainment in exams for service children is not below average. It also demonstrates that at some stages of their education, service children have better attainment than their non-service counterparts.

QVS offers full continuity of secondary education for the children who attend and most importantly it offers it in a secure and safe environment that recognises and understands the special pressures on children that their parents' life in the services can bring. The disruption caused by service life can be worsened when parents are deployed on active service, and the operational tempo has remained high for over a decade. The Ofsted report to which I referred found that some service children were susceptible to social and emotional disturbance when a parent or family member was on active deployment. Those pressures are especially well understood and catered for in a school where the staff are alert for their signs and where pupils can understand and share one another's concerns.

Over the years, Her Majesty's inspectorate of education and the Care Commission, which inspect Scottish schools, have commented favourably on the supportive environment that QVS offers to service children. The school plays a valuable part in supporting elements of the armed forces covenant in Scotland, which provides an answer to another of the right hon. Lady's questions. Against that background, the Ministry of Defence has continued to provide for the needs of the school. As well as financing its running directly, much support is provided by the local military. Headquarters 2 division, based in Edinburgh, offers practical help in a number of ways, such as security and transport.

The school has concerns about the state of its buildings, and it is not unique in that. The pressure on the estate, which has to support the wide range of activities for which the MOD is responsible, is unrelenting, and when distributing limited resources, the needs of the school, however worthy, must be balanced against other operational and welfare priorities for our people and the wider

needs of defence. The fact that some of its rather beautiful buildings are listed adds to the attractiveness of the school, but also to the costs of maintaining it. Within that difficult environment, I am pleased to say that QVS has seen some £2 million-worth of refurbishment, improvement and maintenance works over the past couple of years, including the replacement of a significant number of windows within the grade II listed main school building.

I am aware however that not all the perceived needs and aspirations of the school have necessarily been addressed. Therefore MOD officials, some of whom serve as commissioners, are working closely with the school and the whole board of commissioners to develop a strategic plan, not just to preserve the achievements of the school, but to improve on them. That will include identifying the investment required in the infrastructure, but it is by no means confined to that. For example, with Her Majesty's commissioners we are exploring closer integration with Service Children's Education, which provides education for service children overseas. I am not suggesting that Scotland is overseas, because I know that doing so would get the right hon. Lady going, but there is a certain synergy in the provision of education. The school is unique, and it might be better dealt with by the SCE because it deals specifically with the education of service children.

Mrs McGuire: Does that mean that some of the criteria I highlighted would be lost? I appreciate that the Minister is looking at administrative ease, but the mobile service personnel element and the particular and unique support that QVS gives could be lost if it is absorbed into something that does not quite fit. He has just revealed this idea, and I am interested in the option.

Mr Robathan: The right hon. Lady asks a very good question. We are examining the possibility, but it is not the intention to slot the school into a neat package. It is about where it would be best administrated and this is an administrative matter. I can already see that if we were to undermine the school, she would be back like a shot to ensure that did not happen.

Closer integration with the SCE could help to provide greater specialist support to QVS and greater integration with other service schools overseas, which some of the children will have been to already. Against the severe financial constraints we inherited, within which the MOD and the rest of Government are working, it is extremely challenging to increase the resources devoted to the school, notwithstanding the benefits it brings—and it does bring benefits—and the underpinning it provides in Scotland to our commitments under the armed forces covenant. Like everything else in our budget, it must compete with other extremely high priorities, but we are committed to working with the school and its commissioners to identify the most beneficial and cost-effective way forward through the development of a medium-term strategic plan.

The right hon. Lady particularly asked whether it was possible to expand the school, which is one of the things at which we will certainly look. It is not cost-free and we are strapped for cash, but if children go there rather than to other independent schools, where the continuity of education allowance has to be paid, it could be cheaper. I understand the value of QVS to those who are not in receipt of CEA, because it provides a different way forward for schooling.

Finally, we have delivered a scheme to provide scholarships to bereaved service children and a new fund announced by the Secretary of State on 20 May provides £3 million a year for state schools with service children. The new fund will assist schools and academies that have children with parents in the services or the reserves, to help mitigate the impact of mobility and deployment within the armed forces.

Before I close, I want to say that I am grateful for the opportunity to speak on this topic. I was interested in what the right hon. Lady had to say. I have not been to Dunblane, but QVS is obviously very good. I will correct one thing that she said: approximately 50% of CEA is paid to officers' families and 50% is paid to others—I think that is right. If I am wrong, I shall write to her to apologise. I think that 50% is within 5% of the right figure, but of course it changes each year.

It is always nice to hear a Labour politician praising an independent school. It cheers me up no end, because we do not always hear it. I assure the House that the education of service children, wherever they learn—in state schools in this country, in service schools abroad, in independent schools supported by CEA and certainly at QVS—is one of our highest priorities. I went to Welbeck defence sixth-form college only two weeks ago and have been to the Duke of York's royal military school in Dover, which are of course different from QVS, but I take an interest in this subject. I have been delighted to respond to the right hon. Lady today.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 15 June 2011

[Mr Gary Streeter *in the Chair*]

SMEs (South of England)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Prisk.)*

9.30 am

Caroline Dinenage (Gosport) (Con): Thank you, Mr Streeter, for allowing me to raise this important topic. As a director of a small business based in the south of England, I fall squarely into a category that necessitates me to declare an interest in the subject matter. However, holding such a position also allows me to share some first-hand experience with hon. Members.

Small and medium-sized enterprises hold the key to a successful private sector-led economic recovery in the UK. At a recent UK Trade & Investment maritime sector meeting, I learned that the proportion of UK exports accounted for by SMEs was 5% below the European average. If the UK were simply to raise that level to the average, it would generate a staggering £43.6 billion of additional GDP. That is enough to wipe out the UK's current account deficit two times over. It is important to keep that in mind when discussing SMEs. These businesses may be small, but they have truly enormous power to drive our economy.

In previous debates in this Chamber, I have highlighted factors that afflict small businesses and limit their growth. In particular, I raised my concerns about the creeping trend of larger businesses putting unfair influence on supply chain companies, such as by extending their payment terms, and the continuing difficulties small businesses face in trying to secure funding from banks. That context is important as we should not view the Government's role in isolation from all the other factors affecting small businesses.

I strongly believe that the Government "get it" when it comes to SMEs, and they have made it clear that they support their growth and longevity. They continue to put pressure on the big banks to increase their lending to small businesses. They have reinvigorated the enterprise finance guarantee scheme and established a number of new, highly targeted grants. It is clear that the Minister and his Department are working extremely hard to put UK companies on a firm footing.

When the Minister visited my constituency, he will have seen a site called Daedalus, a former naval airbase that now serves as home to a number of small aviation and marine-based businesses. This vast site is being promoted as a potential enterprise zone by the Solent local economic partnership, which will also submit a regional growth fund grant application to support its redevelopment as a hub for business innovation for the entire region. I hope the Minister appreciates the importance of the redevelopment of that site for the future prosperity of the constituency.

It is clear that the Minister also understands the need for the job market to end its over-reliance on the public sector. The need to encourage growth, commerce and manufacturing as part of a private sector-led recovery is at the centre of the Government's plans, and I commend that approach. After all, it is far more sustainable to grow our way out of a recession than to spend our way out of it. However, the need to rebalance the economy in favour of the private sector applies beyond the boundaries of the north and the midlands. It is a concern to my constituents and many of my colleagues here today that only one project in south-east England succeeded in the first round of regional growth fund applications, as opposed to 14 in the north-east. The Government's analysis of the first round RGF grants makes for interesting reading. The maps provided on the Department for Business, Innovation and Skills website show a stark contrast between the money diverted north and support for projects in the south.

I represent one of a cluster of constituencies in the Solent area that, together, share all the characteristics of towns and cities in the north of England: public sector dependency, low average wages, low levels of educational attainment and areas of multiple deprivation. On most measurable scales, including unemployment and business growth, Gosport is well behind some of the areas further north that continue to enjoy strong economic support from the Government.

If we were to plonk Gosport in the middle of the north, it would be the second worst performing local authority area in the entire north-east in terms of public sector job dependency. It would also have the third worst ratio of jobs to people in that region, with less than half a job per working adult, whereas the English national average is 0.8% of a job. With its number of active businesses per 10,000 residents being just 25.5, Gosport is the 13th worst performing area in that regard in the entire UK. Almost 35% of working adults in the constituency are employed by the public sector, which is one of the highest such dependency rates in the entire country, and that is before counting the thousands of people who work in the armed forces, especially the Royal Navy, and who call Gosport their home.

Gosport is at least as reliant on public sector jobs as cities further north, yet it appears to have been excluded from wider Government support. Certain Government measures to promote the growth of the private sector have also been denied to the south-east as a whole. I am, of course, speaking of the national insurance contribution exemption for start-up businesses. I cannot help but find that decision a little unfair as research by the Forum of Private Business shows that 51% of businesses in the south-east considered taxation to be the greatest barrier to growth, which is the highest proportion in the UK.

Penny Mordaunt (Portsmouth North) (Con): I congratulate my hon. Friend on securing the debate. Although Portsmouth fares slightly better than Gosport, we are still described as a northern town on the south coast. Does my hon. Friend know that we fall far short of the Treasury's projections and ambitions for the national insurance contribution holiday? Although that might have been the right policy to start with, it is not having the desired effect. Now would be a good time to expand the criteria for qualification to include not just different geographic locations and start-ups, but small businesses that hope to expand substantially over the next few years.

Caroline Dinenage: My hon. Friend makes an excellent point. It is worth noting that between 2007 and 2010 the south-east experienced the highest increase in deprivation in the UK. Will the Minister tell us what criteria the Government used in making the decision to exclude the south-east from NI relief? Government responses to that question usually state that the focus is to support areas that have traditionally relied more heavily on public sector employment, and they are usually thought to be the north and the midlands. That same description, however, could also be applied to a number of constituencies in the south, including mine. Furthermore, the exclusion of the south-east has a doubly negative effect on Gosport, as it creates a disincentive to business to choose to locate in the area—which should be a prime area for regeneration according to the Government's own objectives—over more affluent areas of the north that are indiscriminately provided with Government support that they might neither need nor warrant.

David Simpson (Upper Bann) (DUP): May I declare that I have an interest in the business sector in Northern Ireland? I congratulate the hon. Lady on securing this debate. Earlier in her speech, she mentioned banks and credit to small businesses, and I am sure she will share my concern about some of the findings of recent research papers on banks and the money being loaned to small businesses. The bankers have stated that they never promised to meet the Government targets; they say that they only promised to make the money available. Leading economists say nothing has changed in the manufacturing sector. In fact, over the past 12 months under this new Government, we have not seen any change from the banks, and small businesses, which are the backbone of the UK economy, are suffering greatly.

Caroline Dinenage: The hon. Gentleman makes a strong point. Yesterday, I met a small business owner in my constituency who is on the brink of losing his business and his house. Against a property that is worth £500,000, the bank will only lend him £50,000, which goes nowhere near far enough towards supporting him in trying to keep his business and his family together.

Although the Government clearly recognise that there are pockets of need in the south-east, it is thought to be extremely difficult to target national insurance investment at a sub-regional level. That may be the case, but such difficulties are not insurmountable. My constituents should not have to accept not receiving help they badly need purely because it is felt that giving them that help would be too difficult.

Penny Mordaunt: On that point, we know from questions tabled to the Treasury that the costs of providing that help, either at unitary authority level or district level, would not be so prohibitively high as to stop such a scheme going ahead.

Caroline Dinenage: That is excellent news, and I know my hon. Friend has done a lot of work on this issue, for which I am very grateful.

I now want to highlight the significant benefits the regional growth fund has brought to certain regions. In the north of England, the RGF has so far created 10,750 jobs directly and 10,916 jobs indirectly, and in the midlands it has so far created 7,923 jobs directly and 37,809 jobs indirectly. By comparison, in the south-east and east of England combined, the RGF has created just 427 jobs directly and 361 jobs indirectly. It is therefore clear that the south gets next to no support from the RGF or enterprise zone designations. Moreover, firms in the south have to pay higher national insurance contributions than firms in other parts of the country. For me and the majority of my constituents—who work in a peninsula where there is, on average, less than half a job per working adult—that is a bitter pill to swallow.

Statistics can also misinform. If anyone looked at the data for private sector jobs created in Gosport, they would be led to believe that we are supporting a growing economy. Unfortunately, that "growth" comes as a direct result of public sector elements of the Ministry of Defence being privatised. For example, Fleetlands, which is the biggest employer in my constituency, has been privatised, becoming Vector Aerospace. That company is now in the private sector, but there are no new jobs. In reality, every year in Gosport more businesses go bust than are created. Officials must look beyond simple numbers and qualifying criteria when making decisions about which areas are in the greatest need of help. The south as a whole has benefited from the creation of large numbers of private sector jobs in the past. It should not be punished for being successful in that regard, and nor should those areas in the south that need help be excluded from Government support solely on the basis of geography.

I understand that the apportioning of Government funding to support business cannot be seen as a local issue. Of course Government funding must focus on achieving wider goals, and must be allowed to maximise the benefit of the schemes it supports for the greatest number of people. I also understand that the RGF and enterprise zone applications are subject to independent scrutiny, which is as it should be. However, I believe that many people have a misconception that the south of England is a universally prosperous region. I hope that I have made it clear that Gosport is certainly not universally prosperous, and I am sure that my colleagues would all be able to provide evidence of areas within their own constituencies that are desperately in need of regeneration.

Despite the difficulties private partnerships in my area face, I have been very impressed by some of their achievements. One such partnership received support from NatWest and Lombard to fund the purchase of a large milling machine worth nearly £500,000 by two Gosport businesses, Marine Concepts Ltd and the Curvature Group. This new joint venture has allowed UK companies to produce components for a wide variety of sectors, including marine, renewable energy, aviation and motor sport. Those sectors had previously required the services of businesses as far afield as Australia in order to meet their requirements. Such investment is creating real jobs as well as preserving the UK's reputation as a centre for innovative manufacturing. That has been achieved by advanced manufacturing businesses successfully repositioning themselves from serving the Royal Navy to serving private clients across the world.

However, for every such partnership, there is another business struggling with the structural deficit left behind by a radically changed market, which in the case of Gosport has been caused by the contraction of the Royal Navy. Such businesses are willing to adapt, but

they are unable to do so without help. For the past 700 years, Gosport—and, in fact, the whole Portsmouth area—has relied on the military to support its entire economy and employment. Much like a mining town or manufacturing centre, the contraction of our armed forces has been intrinsically linked with the falling fortunes of the local economy. However, when the size of the military declines, areas that are dependent on the military are not provided with the same level of Government protection as mining or industrial towns in decline.

Gosport needs to be seen not only as an area with economic problems, but as an area with the potential to reinvigorate itself, given the right encouragement. All the businesses situated on the Daedalus site understand the potential for growth. They are not looking for Government handouts. What they need are a few key measures that can help them create a viable business and the employment that comes with that.

First, they need certainty over the Daedalus site's future. Historically, the site has been owned by many different Government agencies. There is a runway, yet small aviation businesses have sometimes not been allowed access to the site. Those businesses have not had the incentives to invest, nor the certainty that if they were to invest, they would be allowed to grow and flourish. They also need targeted tax and planning concessions, improved infrastructure and a level playing field; in other words, everything that an enterprise zone would provide.

All the businesses based in or around the Daedalus site are looking to expand, and they are prepared to spend money to do so. I spoke to the owner of one of them yesterday, who said that he was prepared to invest many thousands of pounds to take over a decrepit old building and turn it into a modern, state-of-the-art business premises, yet he had only been able to secure a 10-year lease from the regional development agency. Offering such a short lease is just not good business.

Many of the businesses on the site want to source local people to undertake apprenticeships or engage skilled engineers who are leaving the armed forces. The social benefits to my constituency—where 20% of 16 to 23-year-olds are not in education, employment or training—are clear, and this would help many young people realise their potential.

The lesson is obvious. If businesses feel secure enough to invest and have potential orders waiting in the wings, they will expand. Enterprise zones can create that security, while entrepreneurial business people have never had problems in generating business.

The Daedalus site also lends itself perfectly to the wider qualifying criteria for an enterprise zone. Its green credentials are fulfilled by providing opportunities for local employment, rather than necessitating long commutes by car. That would also have the benefit of relieving the pressure on the infamous A32, the only major road from Gosport that leads into the heart of the peninsula. The pressure placed on a beleaguered transport system burdens my constituents with hours of congestion, particularly during peak periods, as traffic struggles through bottlenecks, and 20,000 people have to out-commute to get to work every day. Gosport is the largest town in the UK without a railway station. Therefore, Gosport not only needs inward investment; it deserves it. That would finally allow the area to realise its full potential, and I am confident that it would also act as a beacon for investment from the private sector.

If I may stray briefly beyond discussion of the south to make a broader national point, I would also welcome clarification from the Minister about how applications for regional growth funding and enterprise zone status are co-ordinated. As he will be aware, the RGF is administered by an independent board under BIS, but the enterprise zone project is administered by the Department for Communities and Local Government. Some people involved in putting forward bids have said they are confused about how applications for both schemes by a single local enterprise partnership will be viewed. I would welcome a reassurance from the Minister that both Departments involved have a clear understanding of how each scheme complements the other, and I ask him to consider providing guidance on how dual applications can be dealt with, and to say whether such an approach would prejudice the likelihood of success. I might add that the application deadlines for both schemes are, after all, on the same day.

Penny Mordaunt: Does my hon. Friend agree that it would also be helpful if the Treasury were to allow a relaxation of competitive tendering rules? She identified the regeneration of Portsmouth harbour, which would benefit not only Gosport and Portsmouth, but Fareham and other nearby towns. However, that regeneration can only happen if the Treasury enables those rules to be relaxed. Clarification on that issue would also be helpful.

Caroline Dinenage: My hon. Friend makes an excellent point. As she says, many parts of the Portsmouth harbour area would benefit from that type of help.

I believe the case for business improvement measures in my constituency is compelling—indeed, overwhelming—as does the Solent LEP. I am certain that there are colleagues in Westminster Hall today from constituencies across the south of England who feel the same about projects in their own areas. Therefore, I would welcome a reassurance from the Minister that, first, he is aware of our concerns, and, secondly, he will do all he can to support and encourage the growth of small and medium-sized businesses in the south.

9.49 am

Mr Andrew Smith (Oxford East) (Lab): I congratulate the hon. Member for Gosport (Caroline Dinenage) on securing this debate, which raises important issues. As she said, they are important because small businesses are vital for jobs, sustainable growth and prosperity, and because it is crucial that our region does not become stereotyped by the Government or others to our disadvantage.

As the hon. Lady demonstrated by citing the statistics about her own constituency, the truth is that there are wide variations in employment, wage rates, small business formation and success within regions as well as between them. The particular needs of our region are not the same everywhere in the region. As well as being supportive of small businesses in general, policy needs to be sensitive to the particular circumstances of each local economy and its small businesses.

Judging by the experience of my constituency and local economy, we could be forgiven for thinking that the Government do not want economic growth in our

[Mr Andrew Smith]

region at all. Oxford is an incredibly vibrant economy, with lots of small businesses that have spun off from or are servicing our successful universities and hospitals, the Mini plant, and publishing and other high-tech enterprises, but some decisions that the Government have taken are limiting rather than encouraging growth, small business success and job generation.

One of the biggest constraints that we face in Oxford is housing and developable land. I have no doubt that our local economy could achieve much more economic growth if there were more houses for people to live in and more premises for small businesses, but one of the first things that this Government did was to scrap the south-east plan and set their face against any change to the Oxford green belt, thereby blocking both much-needed housing that was already being planned and the Magdalen college science park extension. The tight local authority boundaries that we have in Oxford give the neighbouring local authorities an absolute veto over our expansion, a veto that they do not hesitate to exercise, even on land of very limited ecological or amenity value.

The second hammer blow that I have to refer to is the incredibly ill-judged and damaging measures aimed at cutting the number of people coming from overseas to learn English here. That is a problem not only in Oxford, but in Bournemouth, Brighton and other southern coastal towns, and it will, I fear, inflict incalculable damage on English language courses and schools that have been generating about £1.5 billion for the UK economy, much of it in southern England. That all adds to the bureaucratic minefield for these kinds of educational businesses and colleges, and the Government's much-vaunted moratorium on red tape clearly does not apply here. Much of the complexity, as English UK has said,

"results from the UK Border Agency trying to legislate in educational matters which are not its proper remit and where it neither has expertise nor has shown any great inclination to listen to those who do."

As well as the economic and reputational damage that the changes will inflict on the wider international education sector in which the UK has an important strategic competitive advantage, they will hit the micro-businesses of many host families who supplement their income by accommodating overseas language students.

I come to the third hammer blow. The hon. Lady referred to the regionally discriminatory holiday on national insurance contributions for new businesses, and asked about the rationale for that. I have had a look at the Her Majesty's Revenue and Customs website where there is a question and answer section. It asks:

"Why does the Holiday not apply in London, the South East and the East?"

and the answer given is:

"The scheme is intended to promote the formation of new businesses employing staff in those countries and regions most reliant on public sector employment. The proportion of jobs in the public sector is higher in other countries and regions than it is in the Greater South East (London, the South East and the East)."

Even if we accept the logic of that approach, it is obvious that the regional criterion is unfairly broad-brush because it must mean that new businesses in local economies in other parts of the UK that have low public sector employment will get the help, whereas areas in the south that are very reliant on public sector jobs, such as my own constituency and that of the hon. Lady, will not.

One of the biggest problems facing small businesses is access to credit, and the failure to hit the targets for bank lending to small and medium-sized enterprises under Project Merlin will hold back small business growth at the very time and in the very places where we need it most.

Business rates are another huge problem for small businesses. I acknowledge that the Government have tried to provide some help, but because of the high rental values in many parts of the south, business rates, which are based on them, tend to be higher, and therefore the costs of setting up and operating a small business have a double whammy effect on the cost of premises.

I could say a lot more, but I know that a number of other speakers are keen to get in. I have not yet mentioned the knock-on effect of cutting the teaching grant to universities by 80% and the trebling of fees, the alienation of other small business organisations by the preference given to the British Chambers of Commerce as co-ordinator of the local economic partnerships, the damage of cuts to investment in the transport infrastructure of the south—to which the hon. Lady also referred—and the interesting recent Institute of Directors report, which showed small businesses benefiting less from Government changes to business taxation than larger ones.

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): Was the right hon. Gentleman hoping to get on to the £500 million investment by BMW in his constituency, and the important help that the company has cited as coming from the Government to enable the investment?

Mr Smith: If we are being absolutely honest here there is an important continuity in automotive policy concerning the building blocks of that investment. The hon. Gentleman may seek to make a party political point but I will not. We all have to pull together for the success of the automotive industry, and I am enormously proud of what BMW has achieved with the Mini, and of the strength of the partnership with the work force and the local community, which is making such a success of the initiative. I have already referred to the Mini plant as an important source of business for small enterprises in our area. Those enterprises benefit from the business that BMW generates in the supply chain, and from the spending power of the work force.

I conclude by underlining that it is wrong to see small business support as a zero-sum game between the south and other parts of the UK. The south is an engine of the UK economy, and the wealth that we generate benefits directly and indirectly other parts of the country, just as we will benefit from successful regeneration and from tackling deprivation elsewhere. We need a proper sustainable growth strategy for small businesses in the south, as in other regions, which focuses on improving skills and infrastructure, cutting unnecessary red tape, nurturing enterprise, keeping down taxes and overhead costs, and ensuring that the planning system facilitates rather than strangles sustainable growth and small business formation. By initiating this debate, the hon. Lady has

done us a particular service by calling to wider attention the danger that complacent generalisations about the state of the small business economy in the south risk killing the geese that are laying the golden eggs.

Several hon. Members *rose—*

Mr Gary Streeter (in the Chair): Wind-ups will begin at 20 minutes to 11. Seven colleagues are seeking to catch my eye, so by my rough calculation that is about six minutes each if we are to get everyone in. I am leaving it to you to regulate yourselves.

9.58 am

Anne Marie Morris (Newton Abbot) (Con): Thank you, Mr Streeter. I shall endeavour to be brief. I am here, in large part, to give voice to the south-west, where we have a particular problem with support for small and, I would argue, micro-businesses, which are the lifeblood of our economy.

I should first pay tribute to what the Government have already done to help us. They have reduced corporation tax; we have the national insurance holiday for new businesses, and the extension of the small business rate relief is very much to be welcomed. Given that my cause is very much that of micro-businesses, which make up two thirds of my local economy by number of businesses and 15% financially, I am really pleased about the micro-business exemption from domestic regulation. That is exactly the sort of measure that we should be seeing more of.

Perhaps it is helpful to clarify what I mean by a micro-business. We talk about small and medium enterprises; one passing reference was made to a micro-business. The Minister might be keen to consider defining micro-businesses in legislation so that we can support them. Micro-businesses have been defined in various different countries precisely so that they can be given particular help and support, including tax carve-outs and exemption from regulation. That happens in Australia and in some states in the US. At the moment, we in the UK largely use the EU definition of a micro-business, which is a business with up to 10 employees and a turnover of €2 million. For this country, that is huge. I do not believe that it is an appropriate definition for this economy.

I submit, on the basis of analysis that I have undertaken of Office for National Statistics figures and am happy to share, that a more helpful definition would be an organisation with fewer than five employees and a turnover of less than £250,000. That way, the Government could specifically target help at such businesses, and it would not be quite as expensive as targeting a larger group. That group would include plumbers, electricians and other businesses that are crucial to any rural or deprived urban economy. It would also, inevitably, cover start-ups, which are essential whether they grow to be successful or remain in a steady state. I argue that micro-businesses will create the most jobs, which we badly need. In America, it is claimed that 90% of new jobs after the downturn were created in that sector.

I suggest that we need to reduce the cost and complexity that apply to micro-businesses. Tax is an obvious issue, and the Office of Tax Simplification has done good work, but we should consider more carefully the concept of a flat tax. It would be simple to apply. The suggestion that national insurance and income tax be integrated, even if that is simply a matter of administration, is welcome, but I urge that consideration also be given to VAT. Thresholds are not consistent across Europe, and many small businesses get to a cliff. There is a disincentive to do more than a certain amount of business, because businesses that get to the threshold must spend an awful lot of time earning an awful lot more money before they break even. There must be a way to solve that problem.

I welcome the Treasury's reduction in the small profit rate. The Institute of Directors tax burden report for 2011 identified it as particularly helpful to micro-businesses, which it defines as businesses having fewer than five employees. However, the Institute of Directors says that it is a one-off win and that micro-businesses will not derive the same benefit as small and medium-sized businesses. It would be good to review what we do with the small profit rate of corporation tax.

The enterprise allowance for jobseekers is an excellent idea—clearly, some new micro-businesses will be started by the unemployed—but limiting it to those receiving jobseeker's allowance, although a good start, might restrict the benefit brought by the scheme. To illustrate, I bring to the Minister's attention an initiative at Portsmouth university, which works with graduates to support them, helping them bid to start new businesses and using local business people to mentor them. The university then works with the angel group to see how it can support graduates, but there is no tax incentive. Perhaps one way forward is to look at the enterprise investment scheme and consider whether we can create some form of EIS-lite.

Employment is the biggest barrier for most micro-businesses. I am pleased by the proposal to allow tribunals for unfair dismissal to kick in only after two years. That is welcome. I am also pleased by the suggestion of an employers' charter. I point out to the Minister that way back in the 1970s, small businesses were given certain carve-outs from employment legislation. There may be lessons to be learned, and the matter might be worth reviewing.

Health and safety is the other big bogey in the room. Lord Young has done a first-class job. The exemptions from risk assessment that he suggests for low-risk businesses are to be welcomed. I strongly urge the Minister to consider negotiating with the Health and Safety Commission. At the moment, businesses with fewer than five employees are exempt from some requirements, but there is a risk that the commission will change its mind. It is important.

Perhaps I have given the Minister food for thought. Many of the initiatives that I have discussed would be welcomed across the whole south, not just the south-west, and micro-businesses would be delighted.

10.5 am

Simon Kirby (Brighton, Kemptown) (Con): I congratulate my hon. Friend the Member for Gosport (Caroline Dinenage) on securing this debate on an issue that is important to the long-term economy of not only the south and south-east but the UK more widely. As a former small business man, I am acutely aware of the stresses and strains involved in running and building companies as an economy emerges from recession. I

[Simon Kirby]

will not say much, as I do not wish to detain hon. Members for too long, but I would like to make three or four points.

First, at a macro level, we must ensure that business support for new and developing businesses is clear. I am told that there is little support at present and that the private sector has yet to take up the slack. I am interested to know what the Minister has to say about that. Secondly, the interest rates that banks charge businesses, when they do provide working capital, are still an issue. I understand that interest rates of 20% can be charged, although the Bank of England rate is only 0.5%. How are businesses supposed to cope with such rates and still make a profit?

More locally, I am pleased to report that high-speed internet implementation is making its way across my constituency, which will enable a major change in how goods and services are transmitted and provide the infrastructure for new services. Enhancements in speed bring new opportunities for business. I am delighted that BT announced yesterday that its exchange in Brighton, Kemptown will be upgraded to give 34,000 premises access to superfast broadband.

However, one local concern is the tourist tax recently proposed by the new Green administration of Brighton and Hove. Initially, the tax would be charged at £1 per tourist per visit. As hon. Members might imagine, local hoteliers have come out against the idea, as it would essentially be a tax on hotels. I do not want anything to damage Brighton's competitiveness as a tourist destination. Once taxes are introduced, they inevitably rise and are rarely repealed. The way to attract tourism to Brighton and other destinations is to maintain a framework that enables visitors while allowing tourism services and businesses to survive.

I believe that the Government's economic strategy will set this country on a sustainable way forward in which debt, growth and employment will come into balance over time. However, what is done at the micro level is just as vital. State direction, bureaucracy and red tape must all be limited to allow the private sector to grow and fill the vacuum when the state is pared back. Government cannot pick winners, but it can create the framework to allow winners to win. That is just as important in the south-east as it is anywhere else.

10.8 am

Caroline Nokes (Romsey and Southampton North) (Con): I, too, congratulate my hon. Friend the Member for Gosport (Caroline Dinenage) on securing this important debate. As we have heard ably from her, and from the right hon. Member for Oxford East (Mr Smith) and my hon. Friend the Member for Brighton, Kemptown (Simon Kirby), prosperity is not uniform in many parts of the south-east, which has its share of deprivation, poor educational attainment, low aspiration and poverty. However, what is striking about my constituency is that it has extremes: areas of wealth and enterprise adjacent to areas of worklessness.

I do not want to paint too gloomy a picture. Romsey and Southampton North remains one of the most wonderful places in the country to live. The local authorities, both individually and collectively through bodies such as PUSH, the Partnership for Urban South Hampshire, and the local enterprise partnership, are working hard to promote regeneration and stimulate enterprise and growth.

Southampton city council in particular has pushed ahead with plans to regenerate the city. It has made some striking differences to the cityscape and to employment opportunities, and has promoted the city relentlessly as a place to do business and to establish companies, ideally located as it is, with a major international port, an airport on the edge of the city and opportunities for excellent university education, not to mention easy access to beautiful countryside, the coastline and superb recreational opportunities. The city has 7,600 companies, with 120,000 people employed, but it does not have the support of enterprise zones, and has no national insurance exemption for start-ups and no structural funding from Europe.

How much more could have been achieved for this regional hub with the same level of support that cities in the north received? Would 32% of the work force still be reliant on the public sector?

Stephen Lloyd (Eastbourne) (LD): I congratulate my hon. Friend the Member for Gosport (Caroline Dinenage) on securing this debate on this important issue. Is my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) aware that a recent Federation of Small Businesses survey indicated that, if more than 30% of small and medium-sized enterprises in the south-east had access to the national insurance contribution holiday, they would take on new people? That would be good for the country and for our region.

Caroline Nokes: My hon. Friend makes an excellent point and is absolutely right—those companies would be willing to take on more people and create more employment in the private sector. As I was about to say before he intervened, in these straitened economic times, there will inevitably be a correction in the number of people employed by the public sector, and we need that slack to be taken up by members of the FSB and other small business organisations.

Landmark sites on the edge of Southampton that are earmarked for major corporate headquarters remain only partly used. One must therefore ask whether those sorts of sites would have been snapped up by now if there had been more support and more enterprise zones in the south-east.

If Southampton was lifted up—this is true of other cites in the south; my hon. Friend the Member for Portsmouth North (Penny Mordaunt) has left the Chamber, but there are close and obvious parallels and comparisons between Portsmouth and Southampton—and placed anywhere in the north, one would notice striking similarities between it and cities in that region.

On the 2010 recognised indices of multiple deprivation, Southampton is ranked as the 81st most deprived local authority area in the country, which is 10 places worse than in 2007. Therefore, in spite of being perceived as an economic powerhouse, there are places in the south-east where deprivation is getting worse, unemployment is going up, and we could benefit greatly from some support to the SMEs that will play a critical role in economic recovery. As we know, 60% of all new jobs are created by entrepreneurs and high-growth small businesses,

and in a part of the country where, as we have heard, it is very expensive to do business and there are high rents and high rates, those small businesses need every bit of support. We neglect the south-east at our peril. The country needs this region to be accelerating growth, and if it is to do that, the full range of funding options must be available to entrepreneurs.

I hope that colleagues will forgive me if I comment briefly on some of the good things that are happening in Southampton. At Solent university, a culture of entrepreneurship is being fostered amongst the students—we have heard that something similar is happening in Portsmouth—and it applies to not just the alumni, but undergraduates and those who are about to graduate. They are all being encouraged to consider their own start-ups and given tools and practical support to do that.

The city council has worked hard to stimulate investment, much of which has come from the retail sector and hospitality, with hundreds of new jobs created with Costco, Sainsbury's and Morrisons. There have also been manufacturing successes, with up to 700 new jobs in marine manufacturing in Woolston. The city is managing to buck the trend for job creation, but we should remember that that must still be held against the 32% dependency on the public sector.

Another thing that we have seen in the private sector—I am prepared to concede that this is not an SME—is the dramatic expansion of Southampton as a cruise terminal. Much credit must go to Associated British Ports, which has invested private money in the port to a massive extent and boosted the city's economy, without subsidy from Government or Europe, unlike some of its competitor cities. What ABP wants from the Government is a level playing field, so that businesses are not disadvantaged in an unfair way and confidence is not undermined in a way that chokes off essential private sector investment. It is successful, but it has achieved that on its own and feels aggrieved to see other ports being given a leg up.

There is much to be proud of in the city, but there is still too much deprivation. There could be more stimulus if companies benefited from the same tax breaks available further north. How many more new graduates would find the impetus to start up their own business if they, too, could have that national insurance exemption?

This is an important debate on an important issue, and I urge the Minister to consider carefully what Members are saying about the south-east. The region is desperately needed to drive the economic engine of the country, to accelerate growth and to provide private sector jobs.

10.15 am

Mr Dominic Raab (Esher and Walton) (Con): Thank you, Mr Streeter, for the opportunity to speak in this debate. I join others in welcoming the ability of my hon. Friend the Member for Gosport (Caroline Dinenage) to secure it, and congratulate her on her excellent speech.

I welcome the various different fronts on which the Government have tried to lever up some economic recovery, through securing and retaining market confidence, which has brought us back from the cusp of default, and through some of the fiscal measures on corporation tax and the regulatory measures to which other Members have referred. None the less, it is worth pointing out some of the findings in the Institute of Directors policy paper that came out this week. It pointed out that the overall tax burden on small and medium-sized enterprises

"is a lot higher than the corporation tax rates of 20 and 26 per cent"—

it is closer to 32% and 43%—and that a business

"can expect to have to pay four or five months' worth of profits to the state each year."

That is worrying and, like the IOD, I would love to see the public finances permit a move towards the consolidation of national insurance, a reduction of the overall level of national insurance for employers and businesses, and further cuts in corporation tax.

That analytical view is bolstered by the feedback that I get regularly from local businesses in Elmbridge. They raise three major things with me. The first is credit—there is still not enough credit going to viable SMEs. The second is red tape. Like others, I would welcome it and congratulate the Government if they tackled some of the health and safety and employment law regulations. Thirdly, it is still too difficult to hire and fire in this country, and that is a major obstacle to growth. I would be grateful if the Minister could give an assessment of the one-in, one-out rule for the financial year 2010-11. How many regulations have come in and how many have been scaled back? It would be useful to know what practical progress has been made.

Like others, I welcome the cuts to both the main rate and the small business rate of corporation tax, but national insurance, as others have said, remains onerous. One aspect that is raised constantly with me as an MP for a constituency in the south-east is business rates and a feeling that our businesses are taxed more and more but get back less and less. Can the Minister give an indication of what progress has been made towards ensuring that local communities see a greater share of the revenue of the tax raised from businesses locally so that we can take some positive steps towards incentivising local business growth?

Much has been said already about the one-year national insurance holiday for start-up companies, but I understand that it is still not applicable in the south-east. Many Members present will recognise that we need to do far more to promote investment and infrastructure in other parts of the country that are not as well developed. Other measures of a more socio-economic nature, such as the pupil premium, encourage greater social mobility and economic development.

David Simpson: I have listened to every contribution. Does the hon. Gentleman agree that what we need to do in the whole of the United Kingdom is create the confidence that the business sector once had? Small businesses are fighting a rearguard action against the banks, the markets are not what they were, and small hauliers face opposition from and have to compete against hauliers coming in from Europe filled with cheaper fuel. We need to create the confidence whereby businesses of all sizes are prepared to take a risk again.

Mr Raab: I thank the hon. Gentleman for that contribution and I agree entirely with its sentiment and spirit. One of the concerns is that we will not get that business confidence back unless we do a bit more to

[Mr Raab]

bring down the regulatory and tax burden. On the national insurance holiday, I am concerned about the precedent of moving towards increasing regional tax subsidisation, which is, effectively, what we are talking about. Over the years, a wealth of research has shown that cutting business taxes may well increase revenue as a result of business growth. Is the Minister aware of whether any assessment was done of the fiscal impact of extending the national insurance holiday to all parts of the country, specifically in terms of what revenue would be gained back? Is that measure revenue neutral or even revenue positive? Such an approach would certainly be welcomed by businesses across my constituency.

In Elmbridge, I see a huge niche comparative advantage in high-tech start-ups—for example: Chelsea Technology, which pioneered the sensors that were used to clean up the oil slick in the gulf of Mexico; T R Control Solutions, which is a relatively small business that has pioneered the software being used in Whitehall to cut CO_2 emissions; Air Products, and Saville Consulting. There are many others. We are not going to rebuild the old manufacturing industries of the past, and there is no point harking back to the industrial revolution with doe-eyed nostalgia. What we can do, and what I hope we will do, is build and innovate in the areas of comparative advantage. The high-tech manufacturing industry is of particular comparative advantage in my constituency, in the south and for the country as a whole.

I am conscious of the time, so I will conclude my remarks. Again, I thank you, Mr Streeter, for giving me the opportunity to speak and I congratulate my hon. Friend the Member for Gosport on securing the debate. I hope that the Minister will address some of the specific points made when he replies.

10.21 am

Mark Lancaster (Milton Keynes North) (Con): It is a pleasure to contribute to this timely and important debate, which I congratulate my hon. Friend the Member for Gosport (Caroline Dinenage) on securing. It is also a pleasure to serve under your chairmanship, Mr Streeter.

Like other hon. Members, I confess that I have a business background. It is perhaps slightly ironic that in 2005, the year of the 400th anniversary of Guy Fawkes, I was the first firework manufacturer to be elected to this place. Even now, when I wander into Parliament on 5 November, the temptation to blow the place up is still there! So far, I have managed to resist it.

We have had a tour of the south of England this morning—from southerly constituencies, to Milton Keynes North, which is the most northerly seat in the south-east region. Small business is big business in my constituency. On average, five businesses move into or expand in Milton Keynes each month. Some 72% of our companies began in the city. Milton Keynes is the city of start-ups and, in 2010, the Centre for Cities outlook report said that it had the third highest number of business births in the country. We may also be considered the headquarters of headquarters. We are home to the national bases of Volkswagen, Argos, Marshall Amplification, Mercedes-Benz and, imminently, Network Rail.

However, many of the 10,000 businesses in the new city are small and medium-sized enterprises. Many of the business men and women I have met welcomed the excellent measures introduced over the past year by the coalition Government—for example, small business rate relief, which other hon. Members have mentioned. Although I certainly support the national insurance holiday, it seems slightly arbitrary that, as we have heard this morning, it is too often decided on a regional basis. There are centres of deprivation across the south, and Milton Keynes is no different. Some of my wards are the most deprived areas in south-east England.

My hon. Friend the Member for Esher and Walton (Mr Raab) made a point about being able to secure credit as a small business. That remains a major problem. Although I know that the Government are keen to act in that area, we simply must do more because, unless small businesses can secure credit, I fear that their future is bleak.

Business owners are particularly keen on the introduction of local enterprise partnerships. Milton Keynes is part of the South East Midlands LEP. Geographically, that stretches from Luton to Corby, with Milton Keynes being the centre of gravity. It has been very much welcomed that the wealth creators and the innovators will determine the direction of our regions rather than having publicly funded, faceless bureaucrats driving regional funding.

However, some people have found it strange that the funds for starting up the LEPs have been solely allocated to the chambers of commerce. Concerns were raised in a letter to *The Daily Telegraph* about the decision of the Secretary of State for Communities and Local Government to allocate the £300,000 grant to that national network alone. Although the chambers of commerce are excellent—in my constituency, the chamber of commerce is a lynchpin of business activity—they are not the only bodies representing business. There is also the Institute of Directors, the Federation of Small Businesses and the Forum of Private Businesses, national wings of which wrote the letter to *The Daily Telegraph* back in April. In particular, our local Federation of Small Businesses is a strong voice. I pay tribute to my predecessor, Brian White, who leads that federation in Milton Keynes.

Collectively, small businesses in my constituency are big business, and they deserve a big voice in these matters. I would hate to think that, in coming up with such an excellent initiative, we are alienating anyone. Will the Minister look again at how we fund LEPs? It is important that we ensure that voices from the whole business community are heard and that we do not solely rely on a single channel when it comes to starting these very important partnerships.

10.25 am

Mr Andrew Turner (Isle of Wight) (Con): I congratulate my hon. Friend the Member for Gosport (Caroline Dinenage) on securing the debate. We all know that small and medium-sized businesses are absolutely vital to the recovery of the British economy. They create wealth in a community and provide local jobs. Micro-businesses are incredibly important to our local economy on the Isle of Wight. The majority of businesses on the island have only one or two employees, and many have none. There are 6,000 businesses in total on the island, 87% of which have fewer than 10 employees. That is a figure of 5,220. I will come back to those points in a moment.

Potential investors and business owners need to understand that living and working on the island is fundamentally different from the mainland. There are a few drawbacks, but there are many more positive aspects. We have a more relaxed pace of life and a better quality of life. We can use that to attract business people who want a good work-life balance. We also have a rather captive audience because the cost of leaving the island can be extraordinarily high. People tend to buy their food and many of their other goods and services on the island, and they bank on the island. Islanders are more community focused than people in many other parts of the country. That is probably because so many people are born on the island, educated on the island, work on the island, have families on the island, and grow old on the island, so even more than in some other areas, it is in the interests of islanders and their families to build a strong local economy.

I am also interested in the move towards more economic development through the focus of local enterprise partnerships on stimulating regional growth. Unfortunately, I understand that the Solent area LEP, which covers the Isle of Wight, has excluded representation on its board from small businesses, including the Federation of Small Businesses. That seems rather short-sighted. I am worried that the voices of small and micro-businesses will not be heard. I hope that the Solent area LEP will find a remedy for that omission soon.

More can be done to support micro-businesses. Many local businesses have disappeared into franchises controlled and dictated to by large brewers. Small butchers and greengrocers have to compete with supermarkets that have free parking and mass buying power. Even though many small food shops on the island are better value for money than the larger supermarkets and offer a better quality of food and produce, they suffer losing shoppers to loss-leading offers and discounted petrol schemes. Perhaps the Government's commitment to support local communities means that something more can be done to encourage shoppers to use local shops that sell local products.

As I said earlier, most businesses on the island have one or two employees and many have none. Only 13% of businesses on the island have more than 10 employees. Small and micro-businesses are vital to the island's economy and they have enough on their plate trying to run a successful business, without having to devote hours and hours to trying to ensure that they comply with unnecessary red tape. The Government's decision to exempt new start-ups from all new domestic legislation for three years is welcome; it is a good start. That, coupled with a review of the 22,000 regulations currently on the statute book, will reduce the bureaucratic burden that so often puts off good small business owners. However, I regret that the island was not included in the decision to give a national insurance holiday to small, start-up businesses. Just because the previous Government put the island in the south-east region does not mean that it shares the affluence of some of our mainland neighbours. I hope that the Chancellor will look closely at differences within regions—I recognise that that point has been made—when announcing such policies in the future.

I recently met with Neil Whitmarsh, the senior business manager of Lloyds bank on the island. He told me that business lending on the island is well ahead of target, and I welcome that news. Island businesses will also benefit from the improved access to finance promised by the Government. I welcome the announcement from the major banks that they will make £76 billion available in new lending for small businesses across the country in 2011. All in all, I think that the Government understand and appreciate the massive contribution that small businesses and micro-businesses make to our national and local economies. The work that has been done is an excellent start, but we need to keep micro-businesses afloat, otherwise our economy will once more suffer.

10.31 am

Gordon Henderson (Sittingbourne and Sheppey) (Con): I add my congratulations to my hon. Friend the Member for Gosport (Caroline Dinenage). The debate gives me an opportunity to explain something of what we are doing in my constituency. We have set up the Sittingbourne and Sheppey Link 2 Business, which has its own website that offers local businesses direct access to my office and a range of other services. We set that up because, during my term as MP, one of my top priorities is to help local companies get through the tough economic challenge that our country faces.

As and when the economy improves, I want those businesses to be better placed to expand and provide the extra jobs that my constituents need. At 8.7%, my constituency has one of the highest unemployment rates in Kent. I am determined to do everything I can to help bring that figure down. I am lucky that Swale borough council and Kent county council are two local authorities that recognise the importance of private enterprise to wealth creation. They are both doing all they can to attract more investment into our area. Of course, much of the future prosperity in my constituency is dependent on those companies that already do business in the area, which is why helping them is so high on my priority list.

One way in which I can achieve my goal is to ensure that local business men and women have easy access to advice and are able to get quick answers to any questions they might have about Government policy. The Sittingbourne and Sheppey Link 2 Business provides that service. We hold monthly business breakfasts at which local business people can share with me their concerns and problems. I have been running those breakfasts for a year and the three gripes that are continually raised are the burden of red tape, the lack of a skilled work force locally and the difficulty of accessing Government grants because we happen to be in the south-east of England. As a number of hon. Members have pointed out, we actually have areas of deep deprivation in the south-east. In my constituency, two of my council wards are in the top 10 most deprived nationally.

It is for the people living in those areas that I would like to issue my plea to the Government for help. Swale borough council, Kent county council and I are working together to do all we can to encourage investment into our area. As the Minister will know, Kent took a hard hit recently when Pfizer decided to pull out of Sandwich, with the loss of 2,500 jobs. On the plus side, Vestas is seriously considering setting up a wind turbine factory in Sheerness to create another 2,000 jobs. I am sure that we could seal that deal if there was some access to Government aid. Bringing in such investment would

[Gordon Henderson]

give a huge boost to small and medium-sized businesses in my constituency. Losing that investment would be a tragedy.

I know that the Government's aid policy is pitched towards regions where there is a need to rebalance economies that have become over-reliant on the public sector. As a business man, however, I know that when times are tough the way to create growth is to invest in those areas of the business that have a proven record of success, rather than those that have been a drain on company profits. The same should apply to Government investment, and I urge Ministers to rethink regional aid policy. The country needs more private sector jobs. In Kent, we are doing all we can to help our local businesses create those jobs, and I am sure the same goes for other southern counties. We need Government help, however. We need financial help. Give us that help and we, in the south and south-east, will help kick-start Britain's economic recovery.

Mr Gary Streeter (in the Chair): I thank all colleagues for co-operating on timing. The winding-up speeches now begin. I call Chi Onwurah.

10.35 am

Mr Chuka Umunna (Streatham) (Lab): Thank you, Mr Streeter. It is actually Chuka Umunna. My hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) is another member of the shadow business team, and she is a she as well.

Let me start by congratulating the hon. Member for Gosport (Caroline Dinenage) on bringing this important issue to the Chamber. I say that not only out of custom, but because we are looking to small and medium-sized businesses to create the jobs and growth that will enable us to reduce the deficit and return the country to prosperity after the global financial crisis and the recession. In the south, SMEs make up 99.4% of enterprises. They deliver 52.6% of the jobs in the private sector and 40.9% of private sector turnover. In the three regions that I commonly think of when I think of the south—the south-west, the south-east and the eastern regions outside London—there are 420,000 SMEs employing 3.26 million people, from sole trader outfits to those employing 100 or more. It is an absolute prerequisite for the full recovery that we all want to see that they grow and flourish.

To see SMEs bloom, we need to foster and promote an enterprise culture in which people can make an informed choice about setting up their own enterprise and business, as opposed to going to down the employment route with another outfit. We need to create a dynamic start-up market by strengthening the support that we provide to people in terms of giving them the networks and access to information that would encourage them to start up a new business. We need to build the capacity of our existing SMEs to grow by promoting the adoption of shared learning, good practice and maximising the skills of business. We need to encourage SME activity in disadvantaged and deprived communities, many of which have already been mentioned.

I know that many MPs in the House, including those who have contributed to the debate, have direct experience of business. The hon. Member for Gosport runs a small manufacturing outfit and has a lot of knowledge in this area. The hon. Member for Brighton, Kemptown (Simon Kirby) mentioned that he is a former business man, and of course the hon. Member for Milton Keynes North (Mark Lancaster) is the first fireworks manufacturer to sit in this House—something that I did not know. I practised as a solicitor for the best part of a decade before entering the House. Throughout my time as a solicitor, I advised SMEs. I think that the Minister worked in business for a good decade before he came into the House, too. Everybody who has contributed does so from practical experience, which is a good thing for us here in Parliament.

As a result, we are familiar with the obstacles that SMEs face. Chief among them is access to finance. The Government's regional growth fund has been mentioned. The previous Government had a regional growth budget of £1.4 billion, which was delivered through the regional development agencies. This Government are investing the same sum, but over three years—a two-thirds cut in investment. The first round of bids has caused some angst and was very over-subscribed. The applications were restricted to those with bid values of more than £1 million, which denied many SMEs access to the funding. The hon. Member for Isle of Wight (Mr Turner) said, for example, that 87% of the businesses in his area are micro-businesses, and such businesses are probably not in a position to make bids of that size. Will the Government consider revising the criteria to permit bids of a smaller value so that more SMEs can benefit? The Opposition have also suggested reimposing the bank bonus tax and adding £200 million from that to the £450 million already announced for the regional growth fund.

New local enterprise zones were mentioned—the hon. Member for Gosport highlighted that none is scheduled to appear in the south. Notwithstanding whether we proceed with the zones or where they are located, why does the Minister feel that they would work and be successful? When I sat on the Treasury Committee, the chief economist of the Cabinet Office, Jonathan Portes, who left his position in February, said that his understanding was that, instead of creating new economic activity, enterprise zones simply shifted it around the country.

Above all, SMEs look to the banks for access to capital and finance, which they cannot access on the capital markets, unlike larger companies. The hon. Member for Isle of Wight, as well as the hon. Member for Upper Bann (David Simpson) who is no longer in his place, referred to the Project Merlin agreement, which was announced in February. Under it, the Chancellor told us that the banks had agreed £76 billion of gross new lending to SMEs, giving a quarterly target of £19 billion, which we learnt recently that the banks had missed by £2.2 billion. I have some questions for the Minister, given information that has come to light over the past few days since we had Business, Innovation and Skills questions on the Floor of the House last week. In particular, the Minister said in a written answer to my hon. Friend the Member for Barnsley Central (Dan Jarvis), on 8 June:

> "The Merlin Agreement was about setting stretching lending targets to the banks to make sure that they make available the credit that businesses need to grow...Lending to SMEs in the first quarter was £16.8 billion against a quarterly 'stretch' target of £17.2 billion (the 'capacity' target would imply a figure of £19 billion)."—[*Official Report*, 8 June 2011; Vol. 529, c. 391W.]

That was the first mention of a stretch target, which appears to let the banks off the hook on SME lending, because the stretch target is 10% lower than the original target announced by the Chancellor in February.

Why did the Chancellor not cite the stretch target referred to by the Minister in the written answer last week? Surely Parliament should have been told about such targets at the outset. Secondly, why are those stretch targets and the details about them not published quarterly on the Bank of England website with the capacity targets we were originally told about? On the Project Merlin provisions to do with chief executive officer remuneration, will the pay link reflect whether the banks have also met stretch targets, or will the link be with capacity targets? Lastly, Treasury officials were quoted in the media yesterday as saying that the Minister's stretch targets do not officially exist, yet clearly they do, because we cannot get more official than a ministerial written answer informing us of the existence of such a target. Why is the Minister saying one thing, when the Treasury appears to be saying another? Perhaps the Minister can provide clarification. We need the banks to lend to SMEs in the south and beyond if we are to see growth return.

Other issues raised in the debate include the national insurance holiday, which the hon. Member for Gosport thought was unfair in not applying in the south-east, while my right hon. Friend the Member for Oxford East (Mr Smith) thought that the application of the criteria determining where the holiday would apply was rather broad brush. The hon. Member for Portsmouth North (Penny Mordaunt), who is no longer in her place, mentioned the low take-up of the benefit: we were told that 400,000 businesses would benefit but it appears to be far fewer. Can the Minister tell us where we are with that?

The cost and complexity of regulation were mentioned by the hon. Member for Newton Abbot (Anne Marie Morris). She would probably agree if I took it from her comments that the issue is one not only of cutting the red tape but of ensuring that the regulation we have is applied in a smarter fashion, and easier for businesses to understand. I think she also mentioned the employment tribunal regulations, as did the hon. Member for Esher and Walton (Mr Raab). The previous Government did away with the statutory dispute resolution procedures—in practice, they were difficult for employers to grapple with—and that was a good thing, but I add a note of caution, because watering down employee rights is not necessarily a substitute for a proper and comprehensive growth strategy to help the businesses we are discussing.

The hon. Member for Romsey and Southampton North (Caroline Nokes) talked about the high rents and rates from which businesses in her area are suffering. I am receiving exactly the same comments from my constituents in Streatham. What does the Minister think we can do centrally about the problem? The lower tax burden and the Institute of Directors report were mentioned by the hon. Member for Esher and Walton. In reality, the tax burden for SMEs is, typically, between 32% and 43%. We need to look at that. The hon. Member for Isle of Wight mentioned the big issue, which the Government need to look at, of SME representation on the LEP boards. The preponderance of SMEs feel excluded from the boards of the LEPs, and that claim is popping up all over the country. Would it be a good idea to give the LEPs responsibility for the billions of pounds of regional development agency assets, so that they can have real local influence in their operating areas? The hon. Member for Sittingbourne and Sheppey (Gordon Henderson), who has been involved in business as well, talked about the challenge of local skill shortages which I, too, recognise.

The hon. Member for Gosport started by mentioning the notion that the south is being pigeonholed as an affluent area without the same challenges as the north and, perhaps, is not being afforded the benefits received in the north. I am not suggesting that that is what she said, but SMEs are the lifeblood of our economy and we need them to thrive everywhere, in deprived communities all over the country, be they north or south. The Government strategy for growth is predicated on a boom in exports and in business investment. We need to see that happen all over if growth is to return.

10.48 am

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate my hon. Friend the Member for Gosport (Caroline Dinenage) not only on securing the debate but on her excellent contribution. How refreshing, in this Parliament, in a debate on small businesses, to see a significant number of hon. Members such as myself with a business background. I know it is meant to be a dangerous thing for a Minister to have some knowledge of his subject, but it is actually immensely helpful. Many of the representations, on whether we can do a little more of this or extend a particular scheme, are in many senses a process of singing to the choir. I am sympathetic, but we have inherited a tight financial situation and, without wanting to get partisan, we have therefore been restricted in some areas in which we would like to do more. Hon. Members of all parties appreciate that.

As was pointed out by all hon. and indeed right hon. Members, small businesses are vital. We heard from the Opposition spokesman, the hon. Member for Streatham (Mr Umunna), and I welcome him to his position; this is the first opportunity we have had to debate in Westminster Hall. He is right to talk about how small businesses represent a significant proportion both of businesses as a whole—99% in the south-east—and of the jobs created, accounting for just over half of private sector jobs. In my book, small businesses are the drivers of growth and the leaders of innovation, and as we try to move away from the recession, we want to improve on that.

Let me say at the start that this Government are absolutely committed to enabling more people to start businesses, and then to grow them. Many of the initiatives that make a real difference to people's bottom line in running a business, whether micro, small or medium, are policies that affect every business throughout the country—national policies. I shall come to some of the specific aspects, and the spatial and regional dimension. The Government have started by trying to ensure that people who want to begin the journey of starting a business can do so.

The new national enterprise allowance, which is available throughout the south-east and the country as a whole, will be rolled out over the next year, and will help thousands of unemployed people, whether in Gosport or elsewhere, to take that first step on the crucial

[Mr Mark Prisk]

journey from being unemployed to being self-employed. That is why we are overhauling the whole bureaucratic process of, for example, registering a company. It has been ridiculously complex in the past, and when I started my business at the bottom of the last recession, it was immensely slow and expensive. We are putting the process online, and making it quick and cheap so that people can get going and get under way.

That is why the Government, during our first 12 months, sought to stop the planned increase in national insurance, which would affect every small business and could have cost, according to the Federation of Small Businesses, some 47,000 jobs. We stopped that, and that helped businesses up and down the land. It is why we are reforming the tax system, to which several hon. Members referred, and cutting the rate back to 20p instead of increasing it, as had been planned. It is also why we are ensuring that the system is simpler. In the past, too much time has been lost in trying to comply with bureaucracy, reliefs, allowances and the ever-changing two-Budgets-a-year process. Simplification and greater predictability are crucial when trying to run an SME.

On regulation, I totally understand that there will be natural caution about how this Government, more than any other, are making progress. My hon. Friend the Member for Esher and Walton (Mr Raab) referred to one in, one out. During the first six months, when we invited representations on various regulations, we received 157 on different regulations. We have cut those by 70% down to 46 and only 11 will cost businesses anything. That is a start, as hon. Members have said, and they are right. This is the beginning of a process, and there is a lot more to do. I am working with my colleagues throughout the Government to consider the next half-year—July to December—so that that 70% reduction in the number of regulations can be matched and improved on. However, we can do more, which is why have introduced the new moratorium for new regulations on SMEs to ensure that micro, small and medium businesses can get on with their business without worrying too much about complying with Government bureaucracy.

That is also why we have taken the bold step of ending gold-plating of EU regulations in this country. We have had a habit of being the first to implement them, and in a way that is far more complicated for our businesses than for our European competitors. We are changing that, which is why we will not implement EU regulations a day earlier than we legally must, and why we will ensure that we do not add to directives and make life more complicated when our businesses are competing with their European partners. Those are crucial steps that will make a difference to the bottom line.

I turn to the specific issues raised by various hon. Members. My hon. Friend the Member for Gosport rightly pointed out the crucial role of exports in our growth overall, and in helping SMEs improve their productivity and innovation. The evidence is there. That is why UK Trade and Investment is changing its strategy to make it far more entrepreneurial. It also has a new "passport to export" service deliberately aimed at SMEs. We have worked with the Export Credits Guarantee Department to loosen up some of the regulatory processes, and to introduce a series of new schemes to help businesses in the credit area with a simpler credit insurance product, a new bond scheme to make things easier, and a new foreign exchange credit scheme. If my hon. Friend would like further details, I am sure that my officials will be happy to supply them.

I shall deal with an issue that is specific to Gosport, and then speak about generic matters. As my hon. Friend knows, I visited her constituency yesterday, and met other people in Portsmouth and elsewhere in the area. One initiative that we are driving forward is recognition of the tremendous value of the marine engineering industry. It is crucial for many hon. Members who have spoken today, but has been neglected. We have all recognised the importance of automotive engineering, and we have all pushed the case for aerospace, but the country has tremendous expertise in marine engineering. I am co-chairing the Marine Industry Leadership Council, and leading the strategy with the industry. It sets out the key issues involving technological change and the ability to take on new opportunities so that that industry is prosperous. That is crucial for areas such as Gosport. National political leadership can make a real difference to a local area.

My hon. Friend mentioned the national insurance holiday. A little perspective is important, but I understand people's concern. The change will help new businesses. No existing business in any constituency will be treated differently, whether they are in the north or the south. That is important. Although the Chancellor is clearly under financial pressure, he wanted to make a difference, and to help business formation in areas where it is at a lower level, so we chose to help businesses outside the wider south-east. I note the representations, and I totally understand the point. I will come to the broader point about specific pockets of deprivation in apparently more affluent areas, but the policy has tremendous merit. These are early days but, like all tax policies, the Chancellor will keep a close eye on it. He has noted, as have I, hon. Members' representations.

On finance, the Opposition spokesman, the hon. Member for Streatham, mentioned a couple of issues, as did another hon. Member who is no longer in his place, about access to finance. This is crucial in terms of ensuring that we hold the banks to their targets—I will come to that—and how we deal with equity finance and risk capital. That is why we ensured the continuance of Capital for Enterprise with a £200 million fund. It is also why we have pushed the banks to provide us with a business growth fund, aimed at the mid-caps, which will help unlock around £2.5 billion. The hon. Gentleman also referred to targets. It is the capacity targets to which we will hold the banks. Clearly, in any negotiations there will be other ways in which we wish to stretch the banks and challenge them, but we are monitoring the capacity targets.

On regional growth funds, I am well aware that if people have not won funding they will want to know why, and I understand that. The first round was very popular, and heavily over-subscribed. The second round is now in hand, and its capacity has doubled. It is worth pointing out that it is focused on areas with heavy reliance on the public sector, but the scheme is based on merit, and there is no attempt to place a limit on businesses applying in different parts of the country. That is important, and leads on to the wider issue.

As I discussed yesterday when I visited Gosport, such places have pockets of deprivation, as does my constituency in Hertfordshire, and in a strange way they are more isolated than if they were in an area that is generally recognised in the statistics as bring deprived. That is why the old regional debate about north-south is too crude. It is why I talked to the Solent LEP, as I have to others, about looking at the nomenclature of units for territorial statistics—the NUT statistics, which relate to the size rather than the sanity of the preparation—to ensure that we drill down and better understand the real problems. It is one reason why we are replacing regional development agencies with local enterprise partnerships. That will allow us and, more importantly, local business and civic communities, directly to address some of the problems and local issues that might be masked by more general affluence, which tends to colour the way in which Government policies work. That is why enterprise zones will be open for all enterprise partnerships to apply for.

I had the opportunity of seeing the former HMS Daedalus, which is a fascinating sight. We are in the bidding period, so I must be careful, but I am sure that my hon. Friend the Member for Gosport and her supporters and constituents will make a powerful representation.

Finally, issues were raised about the new generation of entrepreneurs, whom I totally support. Several hon. Members mentioned that, including my hon. Friends the Members for Romsey and Southampton North (Caroline Nokes) and for Newton Abbot (Anne Marie Morris). Yesterday, I was at my alma mater, Reading university, to open its new enterprise centre. We must do what is done in silicon valley, and bring investors—

Mr Gary Streeter (in the Chair): Order.

Unauthorised Encampments (Brighton)

11 am

Simon Kirby (Brighton, Kemptown) (Con): I am grateful to have secured this Adjournment debate. In recent weeks, my constituents have become increasingly concerned about the influx of Travellers into Brighton, the creation of unauthorised encampments, and the attitude taken by the city council's new Green administration to that important issue. Furthermore, a "tent city" protest against Spanish-style austerity has recently been organised by the so-called Real Democracy Now campaign on the historic Old Steine in Brighton. That protest was not moved on by the police, and it was welcomed by the Green party as the kind of peaceful protest it wants to see.

A number of houses in the Ovingdean and Roedean areas of my constituency have been used as so-called "party houses", and former homes in residential streets have been turned into the equivalent of nightclubs for 24-hour partying over the weekends. As you will imagine, Mr Streeter, none of that sits well with the majority of law-abiding citizens and constituents, who pay their taxes and obey the rules.

Brighton has been a magnet for Travellers for many years. Previous councils created a site for Travellers at Horsdean in Brighton, which was refurbished by the recently departed Conservative administration. That site is located in the constituency of the hon. Member for Brighton, Pavilion (Caroline Lucas).

Caroline Lucas (Brighton, Pavilion) (Green): The hon. Gentleman mentions the fact that the previous administration set up a transit camp. Does he also acknowledge that it did not succeed in finding any kind of permanent site? The lack of such permanent sites is one of the main causes of the problems he describes.

Simon Kirby: I am afraid that I do not agree with the hon. Lady. The problems we see today—which will get worse if something is not done—are caused by the Green administration and the lack of desire to move people on. We have a perfectly adequate transit camp that is largely unoccupied. Yet over the past few weeks in Brighton and Hove we have seen Travellers at the Victoria recreation ground, at Benfield Valley park, at Withdean park, on farmland adjacent to 39 Acres off Ditchling road, on the Ladies Mile open space, at Happy valley, at Wild park and in east Brighton. The camp at Horsdean remains, at a cost to the taxpayer, and it has empty pitches.

As I have said, Brighton has been a magnet for Travellers for many years, and the good intentions of previous administrations do not seem to have stemmed the flow of Travellers to the area. When Travellers arrive, groups set up unauthorised encampments wherever the mood takes them. That could be on publicly owned land, which is often owned by the city council, or on privately owned land such as the Portslade cricket club in the constituency of my hon. Friend the Member for Hove (Mike Weatherley). Understandably, residents get annoyed and phone the police or the council. The council and the police are supposed to work together, but there is often a delay while legally mandated welfare checks are carried out, and consideration is given to

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seeking an order that would instruct the Travellers to move under section 61 of the Criminal Justice and Public Order Act 1994.

Bob Stewart (Beckenham) (Con): This problem is not uncommon. Yesterday I visited a newly-established illegal Travellers site in Layhams lane, Coney Hall, in my constituency. I told the Travellers to move on and they told me that they would not unless compelled to do so by the police. In the meantime—as they have done before—they make a hugely expensive mess for the local council. In this specific case, some people have uncontrolled dogs that bit one of the teachers in the local school. Anything we can do to increase the speed with which police and enforcers can act would be a great help for decent people who have to put up with the mess.

Simon Kirby: My hon. Friend makes a valid point and I agree with him. Only recently we saw similar antisocial activity in the Happy Valley area of Woodingdean in my constituency. Allegations of damage, fouling and abusive behaviour were made to the police and council.

Sajid Javid (Bromsgrove) (Con): I congratulate my hon. Friend on securing this important debate. As he may remember, a few months ago I raised this issue during Prime Minister's questions and asked what could be done. I asked whether intentional trespass could be made a criminal offence, so that if people move on to other people's land without permission they can be removed without the need for a court order. The Prime Minister said that he was encouraged by the proposal and that he will look at the issue. Does my hon. Friend agree with such a measure, and will the Minister tell us what point the Government have reached in looking at that proposal?

Simon Kirby: I agree with my hon. Friend. Many people in my constituency find it difficult to understand why people can take the law into their own hands and do what they like, disregarding the feelings and needs of others.

Nicholas Soames (Mid Sussex) (Con): Does my hon. Friend agree that the foolish decision by the council makes it harder for the travelling community to live in harmony and be accepted in the way we would wish it to be? Settling in orderly sites is the right way to proceed. In my constituency, we have discovered that the only way to deal with the problem is to be absolutely consistent. If we are consistent and the law is properly enforced, Travellers and the local community find that they can live in greater harmony.

Simon Kirby: As usual, my hon. Friend makes a valid point. We need clarity and consistency, and for everybody to know where they stand.

Jack Lopresti (Filton and Bradley Stoke) (Con): We are talking about the legality of moving Travellers on. In the Severn Beach and Pilning areas of my constituency there is a new school, and we have had a spate of problems with unauthorised Traveller sites. I asked the Under-Secretary of State for Justice, my hon. Friend the Member for Reigate (Mr Blunt), about making exclusion and eviction orders site-specific rather than individually based. At the moment, if a group of Travellers is asked to move on, other people can quickly reoccupy the site. If the eviction or exclusion order is made specific to a particular site, the problem will be solved once and for all.

Simon Kirby: My hon. Friend makes a valid point to which I am sure the Minister has listened carefully.

Heather Wheeler (South Derbyshire) (Con): We have danced around this issue for so long. Many hon. Members present are from the new intake, but some are not. The question about intentional trespass is interesting, and I am delighted that we are pushing the Minister to provide an up-to-date statement on that. In South Derbyshire, I have found that when Travellers trespass intentionally on private land we can get them shifted within 24 hours by using bailiffs. I want to encourage all hon. Friends to let local residents and councils—and perhaps the local police force—know about the possibility of using bailiffs to move Travellers on within 24 hours. We still have an issue with council protocols, and perhaps the Minister will clarify our position on releasing councils from the draconian issue of 28 days' notice. I hope that hon. Members will accept my apologies; I will not be present at the end of the debate because I need to go to prayers.

Simon Kirby: I thank my hon. Friend for making a valid point, to which I am sure the Minister has listened. She is absolutely right. It is not only the two communities—the settled community and the travelling community—that need clarity. Local government itself needs a clear steer on this matter and the tools to carry out the task.

Caroline Lucas: Will the hon. Gentleman give way?

Mr Gary Streeter (in the Chair): Order. I encourage the hon. Gentleman who has the floor to ensure that he leaves enough time for the Minister to respond to the debate and enough time to make his own points. Of course, I cannot stop him allowing others to intervene, but he may want to implement a rule of one intervention only.

Simon Kirby: Thank you for your wise advice, Mr Streeter. If I can make some progress, perhaps I can give way shortly. Figures from Brighton and Hove city council show that in the past three years, costs of about £233,000 have been incurred simply in clearing up unauthorised encampments.

Caroline Nokes (Romsey and Southampton North) (Con): I apologise for intervening so soon, but my hon. Friend has made a specific point. In my constituency of Romsey and Southampton North, there has recently been an illegal Traveller encampment at Monks Brook. That is one incident among recurrent incidents at that site. A significant amount of mess, of varying types—some of it very unsanitary—has been left behind for the councils to clear up, and of course the ultimate cost of that will fall on the hard-pressed council tax payer. I very much hope that my hon. Friend the Minister will tell us about any support that might be available for councils, even if it is just in the form of strengthened powers to ensure that encampments can be moved on more quickly.

Simon Kirby: I thank my hon. Friend for making a valid point. Clearly, the money that is spent in tidying up and clearing up the mess in these instances comes from taxpayers. I for one would like to see that money spent on parks, libraries, grass cutting or any number of other, more constructive things—*[Interruption.]* Perhaps it could even be spent on weekly bin collections, as a colleague of mine suggests.

In addition, as I mentioned, the previous, Conservative-led council spent some £160,000—again, no mean sum in local government terms—on refurbishing the Traveller site built 10 years or so previously. I understand that the annual budget of the council's Traveller team is £310,000. Often, the criticism is classed as nimbyism or, worse, racism, yet nothing could be further from the truth. My hon. Friend the Member for Mid Sussex (Nicholas Soames) mentioned communities living in harmony. That is exactly what we all seek to achieve. What people in my constituency and, I suspect, in other constituencies say is that people should be able to lead their lives in their own way, but not if their doing so creates an inconvenience and a cost for others.

Mike Weatherley (Hove) (Con): I thank my hon. Friend for securing this vital debate. Does he agree that it is vital that the support of the new Green administration in Brighton and Hove for Travellers, which appears to be linked to some unlawful instances of destruction of public green spaces such as in Victoria park in my constituency, is reversed as a matter of urgency?

Simon Kirby: I thank my hon. Friend for his question. I agree with him. The Green council seems to have given the green light to Travellers to create unauthorised encampments in the city.

Caroline Lucas: Will the hon. Gentleman give way?

Simon Kirby: I must make some progress.

Caroline Lucas: On a point of order, Mr Streeter. What has been said is simply not true. The hon. Gentleman talked about—

Mr Gary Streeter (in the Chair): Order. That is not a point of order. The hon. Lady should take her seat. It is a point of debate.

Simon Kirby: Thank you, Mr Streeter. The comments of the lead councillor of the city council, who said that the group of Travellers had "reluctantly" been moved on by the council, do not imply a willingness to see fewer encampments rather than more.

To be fair, I understand, following discussions with senior officers in the council, that the policy has not changed in terms of moving Travellers off unauthorised encampments as soon as possible, yet the tone of public statements by the Green council sends a very different message. We shall see who is right when a large group of Travellers leaves Essex in the near future. Where will they go—to a council that is not sympathetic or to one that because of the statements of its senior figures appears to be so? The Greens have set a dangerous precedent by their public attitude and comments, and residents are genuinely worried about what may be about to be visited upon them in terms of nuisance and cost.

I mentioned that a further type of unauthorised encampment has been created in the historic Old Steine area of Brighton. That is a large, open, grassy area close to the seafront with a café and fountain. It is possible to see the pier from the Steine and it is a favourite attraction for residents and visitors alike. Several weeks ago, several people, protesting on the eve of the Spanish general election regarding the austerity measures having to be taken in that country, decided to create a tent city on the Old Steine. They had a very happy time, banging drums, writing protest placards and creating a focus for world revolution, yet the reality is that their camp was unauthorised. They are now moving on, but some still believe that it is their right to reoccupy the area whenever they choose.

We know, Mr Streeter, how permanent so-called temporary tent cities can become. We have only to look feet behind the chair in which you sit to see one across the road from the Palace. Many constituents rightly argue to me that if a group of protesters is allowed to set up camp like this and, crucially, are not moved on by the police, why cannot they, with a group of friends, take their caravans and tents to the Old Steine and make a holiday camp for themselves? The only difference seems to be that one group has placards decrying the democratic processes that actually allow dissent and protest and the other does not. There is no excuse for long-term tent cities such as this. We have a vigorous Parliament, where issues are debated and decisions on the management of national debt and other important issues are made on a daily basis.

Caroline Lucas: I strongly regret and deplore the way in which the hon. Gentleman is using a very sensitive issue as a political football. That does no credit to him or his constituents. What we should be doing across the south-east is working together to find more permanent sites. That is the crux of the problem that we are discussing. He will know, because council officers have said so, that the number of Travellers and Gypsies coming into Brighton is no greater this summer than it has been for any other summer recently. He will also know that the very first act of the new Green cabinet—the very first thing that it did within minutes of being sworn in—was to evict people, very sensibly and responsibly, from the Woollards Field site in Brighton. I therefore urge him to treat this issue with the sensitivity that it deserves, not to conflate the issue of the Old Steine with what is happening with Travellers and Gypsies. Those are two separate things. The actions on the Old Steine were such that they minimised—

Mr Gary Streeter (in the Chair): Order. Interventions should be short.

Simon Kirby: I thank the hon. Lady for her intervention. I would like to move on and briefly mention party houses. Those are homes, generally in quiet, residential areas, that are often used to sleep about 20 people. That can lead to days of non-stop partying until the early hours. That disturbs residents, who are entitled to the quiet enjoyment of their homes. It destroys the amenity of an area and creates a further sense of a flouting of

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the rules by which most sensible communities live. If people choose to live in the centre of Brighton, they can expect noise and disturbance. If they choose to live in an area that is mainly residential, they should be able to expect to go to sleep at night. The previous leader of the council held round-table discussions with council officers, the police and fire authority representatives to see what could be done. What she heard was that, essentially, the hands of public authorities seem tied. That cannot be right.

I urge the Minister to consider the following. We need to strengthen the powers of the police to move Travellers on much more quickly than is the case now. There should be clear guidelines about when the police must act, and those guidelines must err on the side of protecting the property and amenity rights of the settled population. The issue of mandatory welfare checks needs to be urgently reviewed, as well as the level of resources that local authorities need in order to undertake the work required when Traveller incursions take place. On protest camps, the law of trespass needs to be firmly enforced. Again, the police must be given clear instructions on how to handle such situations. On party houses, I believe that we need an amendment to the Localism Bill, which is now in the other place, to give local authorities more powers in that regard.

People in Brighton tell me that they have had enough of their lives being disrupted by outside groups that use the city for their own ends. The settled majority have rights, too, and they are looking to Parliament to uphold them.

11.19 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to serve under your chairmanship, Mr Streeter. I apologise to you and to my hon. Friend the Member for Brighton, Kemptown (Simon Kirby) for arriving a little late and missing the very beginning of his speech, but I quickly caught up with the gist of it. We will get the clocks department at the Department for Communities and Local Government checked.

I am grateful to my hon. Friend for raising this issue and to those Members who have participated. From my postbag as a Minister and from the postbags of my colleagues, I recognise the strength of feeling among Members of the House and constituents on this issue. I am also aware of it from my experience as a constituency Member of Parliament; indeed, my next-door neighbour, my hon. Friend the Member for Beckenham (Bob Stewart), inherited the site he talked about from me in the boundary revision. The issue therefore needs to be approached proportionately.

Without being invidious to others, perhaps I can single out one of the Members who intervened. My right hon. Friend the Member for Mid Sussex (Nicholas Soames)—I hope that I may call him that already, and I am delighted to be able to use that term, which is thoroughly well-deserved—got it absolutely right: the key test is fairness, a sense of balance and consistency, and that is where the difficulty arises.

The Government recognise that Gypsies and Travellers have a right to exercise their traditional lifestyle. It is equally true, however, that anyone exercising their lifestyle must have regard to the concerns of their neighbours and the communities in which they live. The Government are seeking to achieve balance and consistency on that. When there is a perception that one group can, for whatever reason, achieve objectives that other members of the community cannot, perceptions of unfairness arise. As my right hon. Friend rightly said, that presents a risk to community cohesion. The Government want to address the issue in a way that recognises that the majority of Travellers behave lawfully and properly. However, the minority who do not do so make life much harder for the law-abiding majority, as well as for their neighbours. We therefore seek to strike a balance.

We have sought to adopt a proportionate twin-tracked approach. We have abolished the regional strategies, because arbitrarily imposed, top-down targets on Traveller site provision did not work, alienated communities and did not always accurately reflect the need on the ground. On the other hand, we have sought to encourage the appropriate provision of more authorised sites in the right places. To that end, future authorised sites will attract the new homes bonus. We are also making available £60 million to support local authorities and other authorised providers in delivering further authorised sites.

We have set up a cross-departmental working group to look at some of the welfare issues that hon. Members mentioned. We have recognised that those who live on authorised sites are entitled to a measure of legal protection. Since 30 April, we have strengthened their position by applying the Mobile Homes Act 1983 to local authority authorised sites, giving people living on such sites greater security of tenure. All those are incentives to encourage Traveller families to seek authorised sites. That, therefore, is the positive side—the assistance to Travellers, which is an important part of the mix.

On the other hand, we recognise that it is necessary to strengthen enforcement provisions in relation to unauthorised sites, because those are where the damage to community relations and the environment is done. As well as abolishing the regional strategies, which were unfair and ineffective and which caused resentment, we have published proposals for a new planning policy for Traveller sites. They were published for consultation on 13 April, and the consultation will close on 6 July. We have already had a lot of responses.

The proposals seek to remove the two existing circulars—one on Gypsy Travellers and the other on travelling show people—that were introduced under the previous Administration. They have not worked effectively and have caused inconsistency and resentment. We intend to replace them with the light-touch guidance we have set out in the consultation document, which will provide a fairer balance. We have not yet removed the circulars, because there must, as you will know, Mr Streeter, be proper consultation on all such matters. However, it is worth bearing it in mind—local authorities should bear this in mind—that the Government's intention to revoke the circulars is itself a material consideration, which local planning authorities can take into account when deciding to act on planning or enforcement matters, as is normally the case in planning law.

Nigel Adams (Selby and Ainsty) (Con): When the Government consultation ends in July, will information be made available on the allocation of sites? Will local authorities be given advice about numbers and the methodology for calculating the allocation of pitches?

Robert Neill: I suspect that my hon. Friend has already done so, but if he has not, I urge him and any of his constituents with an interest in this issue to look at the consultation document, which is on the Department's website. We are not in the business of centrally allocating sites—that was the vice of old regional strategies. In the consultation, we give authorities guidance on the appropriate steps they can take to assess need in their areas realistically and sensibly. That is the more proportionate approach. We are therefore dealing with the issue.

In the Localism Bill, which is in the other place, we are strengthening the law on enforcement, and there are several relevant measures. I accept that cynical breaches of planning controls are a particular vice. For example, a site can be occupied specifically on a bank holiday, when the council offices are often closed, which makes it difficult to serve the appropriate notices. Hardcore is then laid, for example, so that an element of development has taken place. To deal with such issues, my right hon. Friend the Secretary of State has alerted local authorities of the need to be vigilant over bank holidays, as my hon. Friend the Member for South Derbyshire (Heather Wheeler) said.

In the Bill, we are also strengthening the penalties for non-compliance with a breach of condition notice. We are including proposals to limit opportunities for retrospective planning applications, which is a particular area of abuse. That relates not only to applications involving Gypsy Traveller sites. In my constituency, some cynical developers have built out a dwelling development in a way that is not in accordance with the plan and then gone back for retrospective permission to get a second bite of the cherry. All such practices bring the system into disrepute, and we intend to restrict the opportunities to undertake them. As my right hon. Friend the Secretary of State said, retrospective permissions should be there to protect those who make an innocent mistake, not those who cynically seek to manipulate the system.

Caroline Lucas: I welcome the fact that the Minister recognises that the lack of authorised sites is driving many Travellers and Gypsies to use unauthorised sites, and I hope that even more resources will be made available to provide more sites. However, does he agree that compact agreements between councils and Travellers can be a useful tool in building good relationships? Will he therefore support Brighton council's plans to go in that direction?

Robert Neill: It is entirely for councils to adopt the approach they think is relevant. The Local Government Association has a useful working group on this issue, which is chaired by Councillor Richard Bennett, who is a Conservative councillor—no one party has a monopoly of interest on this. The group has done some pioneering work on encouraging good local practice, but the Government do not seek to impose a one-size-fits-all approach.

A proper supply of authorised sites is certainly necessary, and it is regrettable that the previous Government's approach did not deliver them. We think our approach will be better. Strengthening enforcement in the way I described, restricting the ability to go back for retrospective permissions and strengthening the powers on temporary stop notices—another issue on which concern has been expressed to us—will achieve more of a balance, so that we can assist proper, appropriate, authorised development, while clamping down on inappropriate and unauthorised development in the way that has been suggested.

My hon. Friend the Member for Bromsgrove (Sajid Javid) mentioned extending the criminal law, and the Government would want to consider that with care, as the Prime Minister said. At the moment, we have a package that will deliver a better balance, and I would like the opportunity to take it forward before we move on to considerations that go beyond that. I hope that that indicates the Government's stance.

11.30 am

Sitting suspended.

Caring Responsibilities

2.30 pm

Sheila Gilmore (Edinburgh East) (Lab): I am pleased to have the opportunity to debate this subject under your chairmanship, Mr Streeter.

This is carers week. It is a time for us to praise carers, to have our photographs taken and to issue press releases to our local newspapers to show how much we care for the carers. In fact, however, it is a worrying time for carers, and the first aspect of that is the budget cuts.

The Government have made a great deal of their injection of £2 billion a year of extra money by 2014-15 to support social care. The Minister of State, Department of Health, the hon. Member for Sutton and Cheam (Paul Burstow), said that this

"means councils can meet cost pressures and maintain services"

However, an Association of Directors of Adult Social Services survey found that 98% of English councils showed overall budget reductions, even when taking account of the additional £1 billion for 2011-12.

Age UK says that spending cuts are projected to reduce spending on older people's care by £300 million over four years, and that real spending on their care will be £250 million less in 2014 than it was in 2004. That is despite the fact that, during that time, we will have seen a rise of two thirds in the number of people over 85, one of the biggest groups that need care.

In 2005, half of our councils provided support to people who were assessed as having moderate needs. In 2011, however, that figure had fallen to 18%. To qualify for adaptations that could help them to manage better without care, people are assessed largely on the same basis. One example is showers that enable people to bathe without assistance. In the overwhelming majority of council areas, people now have to demonstrate critical or substantial need. Many constituents have asked for help with such things as shower adaptations but have been refused because they do not meet that need. One constituent has told me that, as a result, she can take a bath only if her daughter is there to help, yet she lives some miles away. If she had a shower, she feels that she could use it on her own, without having to call on her daughter for assistance. Not only would that improve her well-being and self-esteem, but it would clearly reduce the need for care. Use of these levels of eligibility for the person who needs the care places a greater burden on friend and family carers, who have to fill the gaps.

I argue that the cuts are short-sighted and could end up being more expensive. For example, if the carers' help is compromised by having to take on an extra burden of care, or if the ill or disabled suffer accidents—perhaps because they do not have adequate adaptations—it will cost us a great deal more. We know that an older person having a fall is more likely to require expensive hospital care, or that a fall can act as a trigger for needing long-term residential care. Such accidents can often precipitate events that might not have happened for a long time, if at all. It is in that context that I argue that the cuts could be short-sighted.

In April, my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) carried out a survey of 61 councils; 27 were Conservative, 29 were Labour, four were Lib Dem. It showed that 88% of councils were increasing charges for social care services; that 16% were raising eligibility criteria, which as I said had already been increased; that 54% were making cuts in the voluntary service; and that almost two thirds were closing care homes or day centres. The Government's response is often to say that it is primarily for local authorities, under the localism agenda, to decide how to spend the money. I bring to this debate a cautionary tale from north of the border.

Four years ago, the Scottish Government discovered localism, although they did not call it that. In 2007, they entered into a concordat with local government that included the removal of most ring-fenced funds and what I would describe as the velvet embrace of a four-year council tax freeze. Adult social care is not statutory. As a result, it often suffers in budgetary crises. Supporting People funding, which is primarily low level and preventive in scope, has been used since its introduction in 2003 for such things as supporting people in sheltered housing, and helping to meet part of the cost of care packages for people with learning and physical disabilities who have been moved out of institutional care—something that we all agree with—into their own homes.

The end of ring-fencing has led to a reduction in low-level support, the money being used to meet more immediately urgent needs. However, it has proved extremely difficult to track exactly where the funding is being used. The removal of the ring fence has made it hard to be absolutely certain that the money is not being used as it once was, other than through some of the outcomes.

Home care hours have been cut substantially in my city over the last four years. Many people now receive short visits—perhaps 15 minutes at the beginning and end of the day. However, the beginning and end of that day will be whenever the care services deem them to be, and people may be put to bed at 8 pm because it suits the care service. As a result, many families are having to plug the gap. That takes no account of considering such things as paying for care services. Visits can be very brief indeed.

A further difficulty in tracking what is happening is the increasing individualisation of decisions on care. A professional decision that someone needs fewer care hours can be hard to monitor, as individuals do not know what is happening to others and do not necessarily know that there is anything to challenge.

A family who I visited at the weekend have had their care hours cut from 50 to 42 a week. The husband, who is 74, has suffered severe strokes and needs constant care. His family have seen no change in circumstances other than their observation that they are worse, not better. His main carer is his 71-year-old wife; but having been fit and healthy and having worked to age 65, she is now beginning to suffer health problems, and recently suffered a slight stroke from which she has now recovered. No overnight care is provided outwith the family, and the wife often gets little sleep, with other family members regularly having to stay the night to give her an overnight break. The payments that the family receive to pay for care have reduced from £560 per week to £475 per week, based on the argument that their need was less. The family suspect that it is do with funding cuts. It would be more straightforward if local authorities were to say so, rather than suggesting that a professional decision had been made.

Others might touch on this later, but concern has been expressed about what has happened to the money for respite care that was made available by the previous Government. Many of the organisations involved have complained that it was not clear where the money had gone or whether it had been used for the purposes for which it had been granted. Further money has been given. The Prime Minister spoke about it again today. However, the main question is whether the money is being used for the purposes for which it was given. Although a hands-off localist policy makes it possible for Governments, devolved or not, to disclaim responsibility for what is happening, they remain, none the less, the largest funder of local services. A policy of successive council tax freezes tips the financial balance further towards central Government.

Jack Dromey (Birmingham, Erdington) (Lab): Cutting support for the elderly and disabled is described as the cruellest cut of all. Is my hon. Friend concerned that the Prime Minister described Birmingham city council as "excellent" when it had been branded in the High Court as acting unlawfully in taking away care from 4,100 people in substantial need? Does she not agree that the council should continue to support organisations such as Elders with Attitude because they bring people out of their homes and stimulate them mentally and physically so that they lead a good life and do not become dependent on the national health service or have to go into a care home?

Sheila Gilmore: That is clear example of what is happening up and down the country not only for older people who need care but for older carers themselves, who have very specific needs. Half of the 6 million people who are providing unpaid care in the UK are aged over 50. In England in 2010, nearly 1 million people aged 65 and over were providing unpaid care to a partner, a family member, who might be younger than them, or some other person. The largest number were aged between 65 and 74, but there were nearly 50,000 people over the age of 85 who were giving substantial amounts of care. A quarter of all carers aged 75 and over provided 50 or more hours of unpaid care per week. Carers over retirement age are a particularly vulnerable group because they tend to have health issues themselves. Such people say that they really have no retirement or that they have not been able to enjoy the retirement that they had expected.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing this debate. She refers to the age of carers. The survey to which she alluded earlier indicated that about half of all carers are in poor health. We often use the expression "a time bomb", and it can be a cliché, but here we have a living example of a literal time bomb. If 50% of carers are in poor health themselves, we will, within a few short years, have a double whammy of a problem to deal with—the people who are being cared for and the carers themselves.

Sheila Gilmore: I thank the hon. Gentleman for that contribution. That is exactly the point that I was trying to make. The carers face not only health problems, but financial difficulties. Carers over retirement age do not receive a carer's allowance even though they incur additional costs. They could use additional funds to buy some respite time that they might not otherwise get. They often become cut-off and isolated because they are not able to get out of the house to enjoy the sorts of social activities that enable people to live healthier and more fruitful lives.

Furthermore, there is an anomaly that needs to be resolved. Those on a low income who are over retirement age claim carer's allowance, but they do not get paid it. Instead, they get access to a carer's premium in pension credit. We have about 250,000 carers in that category. It is very confusing because they are claiming a benefit that they do not receive in order to get access to a completely different benefit. Hopefully, that is something that the current Government, with their zeal for simplifying the benefit system, will move very quickly to address.

As we debate this subject in Westminster Hall, the main Chamber is considering the Welfare Reform Bill on Report. Many colleagues who would have liked to be here are taking part in that debate. They know how important the Bill is to carers as well as to other people. The proposed changes to benefits are a big worry for carers. At present, carer's allowance can be claimed if the person being cared for qualifies for either the middle or higher rate component of the disability living allowance. The successor benefit, the personal independence payment, will only have two bands of the daily living component, which is the equivalent of the care component. What is still not clear is how eligibility will work under the new benefit. Will it apply only if the cared-for person receives the new higher rate? How many people will lose eligibility for carer's allowance as a result of these changes? In the Bill Committee, the Minister was unable to give us an answer to that question. However, Disability Alliance has calculated that to achieve even £1 billion of cuts to DLA—the Government's forward projections expect there to be a £2 billion saving overall—there could be a risk to 643,000 people who currently receive the lowest rate and to a further 100,000 people on the middle or higher rate.

We are told by the Government that we cannot assume that everyone who currently gets the lower rate of DLA will lose out in the benefit changes because the new test will be very different to the old one, which leaves a question mark over an undetermined number of people. We cannot assume that all the losers in the new personal independence payment regime will be people who do not have a corresponding link to the carer's allowance.

Anas Sarwar (Glasgow Central) (Lab): I congratulate my hon. Friend on securing this timely and important debate. There is no doubt that the proposed cuts to the employment and support allowance and the DLA will have a devastating impact on thousands of families right across the country. One such couple, Mr and Mrs McCann, wrote to me expressing their own concerns. They both had to take part-time jobs because of caring responsibilities for their daughter, resulting in a 50% reduction in their combined salaries. They do not qualify for carer's allowance because they have an income of more than £100 a week. They rely on their top-up element for their child tax credit and the DLA that their daughter receives. Does my hon. Friend think that it is fair that this family should have to face the brunt of the cuts and even further hardship?

Sheila Gilmore: I certainly do not think that that is fair. I also fear that for some families, not necessarily for my hon. Friend's constituents, it can be the crisis point that makes it impossible for them to continue with their caring responsibilities. If the family cannot continue to care, the cost to society of institutional care will be very much higher than that of properly supported family care.

There is also a small group of carers who currently receive income support. They are not necessarily in the same household as the person for whom they care, but their caring responsibilities mean that they are unable to be in work—or at least to be in very much work. Around 250,000 people are in that category. They will transfer from income support to universal credit, and, as currently drafted, there is no earnings disregard on that for carers. At the moment, a carer in receipt of income support has a £20 a week earnings disregard, which enables them to do some part-time work as well as their caring responsibilities and still have some financial benefit. An amendment to the Bill on Report was not accepted by the Government, but I hope that they will think again on that point.

There could also be people with caring responsibilities who would fall foul of the proposed benefits cap. A single parent with three or more children living in a relatively high-rent area who also cares for a parent living somewhere else could be affected. The Government have made much of the fact that people receiving DLA will not be affected by a benefits cap, which is good. However, there are people who are carrying out an important caring function who might, in certain circumstances, be covered by the cap. I ask the Government to consider exempting them.

Important changes are also proposed in relation to the money that is given to families with disabled children. Disability additions under universal credit will continue to be given in similar ways to the additions and premiums that are given within the current benefit system. However, the current lower rate of benefit is being halved. We are told that the higher rate is being increased—by £1 a week—but many families who have children receiving the lower rate of payment will have their payment halved. The reason being given for that is that it brings the disability additions for children into line with the disability additions for adults. However, I have a question, one that I have asked previously in relation to these reforms. Why do such alignments always have to be downward? Why is it only deemed to be fair if we equalise downwards—not even meeting in the middle, but equalising downwards—in this way? Given the considerable additional costs that we know families with disabled children have, this change seems to be another particularly harsh one and it will worsen the position of many families.

There is a cumulative effect to all of these changes. There are benefit changes of several kinds that might kick in for the same household, together with changes in the support provided by local authorities for services such as home care. The cumulative effect of all these changes will be very harmful indeed to families who have someone who needs a certain level of care. There will also be a particular effect on the carers themselves, those people who we are only too pleased to praise in this one week of the year. We have to put our money where our mouth is on this subject.

To conclude, I have a number of specific questions for the Minister. What assessment have the Government made of the impact on carers of the estimated £1 billion of cuts to social care services in the current financial year? What arrangements do the Government have in place to monitor what is happening at local level, so that they can fulfil their pledges to improve support for carers? The changes in benefits, such as the change from DLA to PIP and the move to universal credit, could lead to thousands of carers losing carer's allowance, so is the Department of Health assessing the impact of those changes to families and indeed to services if families can no longer afford to provide care? Will the Minister seek to ensure that carers do not lose out in the welfare law reform proposals? At the moment, we are being told that some of these things will be ironed out, potentially in detailed regulations. So, whatever happens with the Welfare Reform Bill today, detailed regulations could still be needed and I want to know what the Minister will do to raise this issue with her colleagues in the Department for Work and Pensions. Also, do the Government intend to accept the Law Commission's recommendations set out in its recent report on carers? Finally, how should the forthcoming reform of the funding of social care take account of carers' contributions?

I thank everyone for their attention to this subject today and I look forward to hearing the Minister's response in due course.

2.52 pm

Tony Baldry (Banbury) (Con): The whole House owes the hon. Member for Edinburgh East (Sheila Gilmore) a great "thank you" for having secured this debate in carers week. As co-chair with Baroness Pitkeathley, who is in the other place, of the all-party group on carers, I am particularly glad to have the opportunity to take part in this debate.

In the US Congress, there is a wonderful device that allows people to read a chunk of their speech into the record. I am beginning to feel that for Westminster Hall debates I should have a standard set of three paragraphs about the budget deficit, which I will put on my website, and that those paragraphs should be read into the record. I say that because I think that it will be very tedious during the course of this Parliament if Labour colleagues simply come to Westminster Hall and say, "Woe is us, the Government are having to make budget reductions", and I then have to explain, "Well, actually…"

I calculated all the money that the Government give to my district council, county council, the Thames Valley police authority and the health authority in my area. We are spending more in 11 days simply on funding the budget deficit than we are on funding all those services in Oxfordshire. That is just not sustainable. So we all have a collective responsibility to be grown-up about the challenges that the Government have to face on the national finances.

Grahame M. Morris (Easington) (Lab): We have had this type of discussion before about productivity, deficit reduction and so on. However, is it not the case that the Government have made a firm commitment to protect the most vulnerable people in society and is it not right that Labour Members, who have turned out in numbers for this debate today, should hold the Government to account on that commitment? This issue is about choices and the Government are making a choice here that will affect some of the most vulnerable people in society.

Tony Baldry: Of course all of politics is about choices. However, the hon. Gentleman might want to reflect on the fact that the international credit-scoring agencies are now rating Greece as one of the countries that is at greatest risk of having its finances collapse; only Ecuador and Jamaica are at greater risk in that respect. If one does not take responsible actions to maintain the nation's finances in good order, one runs that type of risk. The Government have made sensible choices about increasing spending on the NHS in real terms, but that means that there are consequences elsewhere and other choices have to be made. I think that we have to be grown-up about that.

Jack Dromey: The hon. Gentleman is of course right that those in government, whether that is central or local government, should be wise custodians of the public purse. Can he explain, therefore, why Birmingham city council defied advice that it was acting in breach of the Disability Discrimination Act 2005 and spent £750,000 on pursuing a case that ultimately failed? Would it not have been wiser for the council to have spent that money on care for the elderly and disabled in Birmingham?

Tony Baldry: With respect to the hon. Gentleman, it is often difficult for statutory bodies to know where their responsibilities lie and that is particularly so in the world that we all have to live in—a world of emerging human rights legislation. I must declare an interest as a practising barrister. I have to say that the main growth area for the Bar at the moment is judicial review, including judicial review in the Supreme Court, to test the statutory responsibilities of local authorities, and I am sure that we will see more of that. Having said that, I do not think that that gets away from the Government's responsibility to try to bring the nation's finances back into some balance.

Anas Sarwar: Will the hon. Gentleman give way?

Tony Baldry: I am sorry, but I will not give way any more because these exchanges demonstrate why I need to read into the record for future debates the three paragraphs that I mentioned earlier. We would all love to have lots more money that we could spend, but alas that is not the case.

With regard to this particular debate, it seems to me that there is a lot more that can be done to help and support carers without necessarily spending a huge amount of extra money. The first thing that we ought to do, or at least we ought to make a much greater effort to do, is to identify which people are carers and to encourage carers to see themselves as carers. Local authorities provide considerable services for carers, but of course they can only provide those services if people identify themselves as carers.

Barbara Keeley (Worsley and Eccles South) (Lab): Will the hon. Gentleman give way?

Tony Baldry: I will not give way, as I just want to make a little more progress.

I was quite interested in a note from Sainsbury's. Sainsbury's has been pursuing an initiative in Torbay to help to identify "hidden" carers. It was working with the Torbay Care Trust and it sought to identify customers in its supermarkets who might have caring responsibilities. Staff talked to customers and if it seemed that a customer might be a carer, they were asked if they were in fact a carer. If the customer said, "Yes", they were then directed to a trained member of the Torbay Care Trust. In a very short period, that initiative led—in just one supermarket—to 140 new people signing up with the Torbay carers' register.

Sainsbury's is going to expand that initiative to other stores across the country. I suspect that huge numbers of people who act as carers do not know that that is what they are, for example, husbands and wives who look after loved ones, and young people who look after parents. We should be working as hard as possible to help people to recognise that they are carers. Considerable help and support are available for people who know they are carers. In carers week, one can see that a range of organisations have come together—

Barbara Keeley: Will the hon. Gentleman give way?

Tony Baldry: I will give way to the hon. Lady in a moment.

A range of organisations that provide advice and support have come together, including Age UK, Carers UK, Counsel and Care, Crossroads Care, Dementia UK, Macmillan Cancer Support, the Multiple Sclerosis Society, Parkinson's UK and the Princess Royal Trust for Carers, but they obviously cannot give advice unless people actually recognise that they are carers.

Barbara Keeley: I agree that identifying and supporting carers is important. Will the hon. Gentleman therefore communicate to the Minister with responsibility for care services that he should support my Carers (Identification and Support) Bill, which the Government have indicated they would not support? The Bill would provide a basis for the proper identification of carers by NHS bodies, local authority bodies and schools. It is more appropriate that public bodies help to identify carers, rather than the task being left entirely to supermarkets such as Sainsbury's.

Tony Baldry: I do not dissent from that, and in a second I will come on to the Law Commission's report. It is important that we recognise carers, and if statutory bodies can help to identify them, that too is important.

We are fortunate this afternoon to have the Under-Secretary of State for Health present, and I wish to make a couple of points about carers and health. Often nowadays, when a person being cared for goes to see their GP or a specialist, the carer is treated as if they were invisible. The concept of patient confidentiality is being used as a mechanism for denying the person who is being cared for the support of their carer, whether it is children taking their aged parents to see the doctor, or a husband taking his wife or vice versa. Often, the carer is able to provide counsel and care for the person they are caring for, and they should not be seen by the GP or the health service as invisible. The NHS, GPs and the Royal College of General Practitioners need to work out a protocol for how the NHS deals with carers. There obviously have to be some balances concerning patient confidentiality, but it must be possible to work out how the NHS should deal with and respond to carers.

[Tony Baldry]

Carers are most concerned about the people they are caring for needing access to the NHS in the evenings and at weekends, when there are out-of-hours systems in place. The out-of-hours GP system was, as it happens, brought in by the previous Government, and it is of variable quality across the country. I think that the Minister will find that one of the growing pressures on the NHS is the number of people who self-refer to accident and emergency departments in the evenings and at weekends, because they can at least be confident of being seen, even if they do not need A and E treatment. They cannot be turned away at the door because the NHS has a duty of care when they turn up. It might be sensible to have primary care triage in A and E departments. We have a Darzi centre in Banbury, but I see no reason why one should not have primary care triage at the door of A and E so that people who do not require A and E services can be confident of accessing primary care without having to hang on on various helplines, or talk to distant voices in which they have no confidence. That would give much greater confidence to carers and to those for whom they were caring, and would significantly reduce the cost to the NHS of the significant number of inappropriate treatments and admission at weekends and in the evenings.

Another responsibility of the Department of Health are carers' breaks, about which many carers are very concerned. One of the longest running campaigns of the all-party group on carers over the years has been on carers' breaks. There are supposedly significant amounts of money in the system—some £400 million—for carers' breaks but, as is the case with so much money, it is not ring-fenced. Some PCTs have been extremely good about that, but we will need to watch where the money goes, particularly as we transfer to GP commissioning. Can we develop systems of best practice? It is not just a question of talking about carers' breaks; we also need to ensure that systems are in place.

3.6 pm

Sitting suspended for a Division in the House.

3.16 pm

On resuming—

Tony Baldry: Let me conclude this part of my speech by asking whether the Minister will give an undertaking that her Department will closely monitor what happens to the money that is allocated for breaks for carers as we move from primary care trust funding to GP commissioning.

Finally, I want to make two brief points. First, the hon. Member for Edinburgh East spoke about the Law Commission's proposals for reforming social care law. That sounds a rather dry topic, but an enormous amount of Back-Bench time has been invested in it. Most carers' rights have come about in law because various private Members' Bills have been brought before the House over the years by the right hon. Members for Coatbridge, Chryston and Bellshill (Mr Clarke) and for Croydon North (Malcolm Wicks), Lord Pendry and the hon. Member for Aberavon (Dr Francis). They have had carers' rights at their heart, but the need for a carer's assessment is the gateway.

Often, carers do not know that they are entitled to a carer's assessment, and many local authorities, perhaps for understandable reasons, do not prompt people to think about asking for one. If such major social care rights for carers were incorporated in primary legislation, it would be the first time that a Government had taken such a step. It would therefore be helpful to know whether the Government intend to accept the Law Commission's recommendations on carers. The only difficulty with the Law Commission's proposals is that they deal only with adult carers. Any legislation needs to address the rights of parents of disabled children as well as the rights of the growing number of young carers.

Secondly—I will not repeat the points made by the hon. Member for Edinburgh East—will the Minister help the House in relation to carer's allowance? To get it, people need to get a certain level of disability living allowance or, in future, personal independence payment. There is some concern and, indeed, confusion about who will be entitled to carer's allowance in future. It is a significant allowance for many carers, because it is a non-means-tested benefit that signals and validates the fact that someone is a carer. It is therefore a valuable allowance in terms of not only the monetary value, but the recognition that someone is a carer. It would be helpful to have some clarification on that point.

3.19 pm

Barbara Keeley (Worsley and Eccles South) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter—let us hope that we do not have too many more interruptions.

There cannot have been a more worrying time to have caring responsibilities, given the abuses at Winterbourne View; there must be a real worry that such things are happening in other care homes or hospitals. There are real worries about the future of Southern Cross, which is still very uncertain. There are also the issues that we are discussing, including the cuts to council budgets, which are resulting in the downgrading or loss of packages of care services. Carers have a range of worries and fears, some of which I want to cover, because these are serious problems for many families and it is right that we are debating them today. I congratulate my hon. Friend the Member for Edinburgh East (Sheila Gilmore) on securing the debate and on the excellent way in which she opened it.

It is 10 years since I started to meet carers in the course of research that I undertook for the Princess Royal Trust for Carers. In that work, I met many hundreds of carers, who opened my eyes to the issues with which they live day in, day out. Some time after I entered Parliament in 2005, I introduced the Carers (Identification and Support) Bill—not all Members were here when I said that I will send a copy to the Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton), and to the hon. Member for Banbury (Tony Baldry) because he seems to support the ideas behind it very much.

This year, the theme for carers week is, "The true face of carers", and its aim is to highlight what life is like for carers and the challenges they face. New research for carers week shows that 80% of carers are now worried about the consequences of cuts to services. As has been

mentioned, the survey of social service directors showed that adult social care services face cuts of £1 billion. The Minister has been asked this question, but I would like to emphasise the point: what assessment have the Government made of the impact on carers of the estimated £1 billion in cuts to social care services? I have some detail on impacts being felt in Greater Manchester.

Whatever we think about it, many councils are having to struggle with the Government's swingeing front-loaded cuts, amounting to 27% over four years—that is the figure in the Budget. Many have found themselves having to cut grants to voluntary organisations, which is having an impact, and many are increasing or removing caps on care charges. As we have heard, the survey undertaken by my hon. Friend the Member for Islington South and Finsbury (Emily Thornberry) showed that 88% of the councils that responded were increasing charges for social care and 54% were cutting support to the voluntary sector. It is a double whammy—cuts in support and increases in charges.

Like everyone else, carers are hit by increases in the cost of living, which we must also take into account. Fuel costs and VAT affect them in the same way as they affect other people. Most carers are financially worse off than other people, because many have had to cut down on or give up work so that they can care.

For this debate, I asked local organisations in Greater Manchester to tell me exactly how cuts or fears about cuts are affecting carers. A staff member at the Bury, Salford and east Lancashire branch of Parkinson's UK told me of her experience. She said that there had been a big increase

"in calls from people who are living on very tight budgets with no chance of increasing the family income due to disability and caring responsibilities, distressed because they can't afford day to day living costs."

The calls that she receives are about the knock-on effects of lack of money—stress, not eating well, relationship difficulties or breakdown, anxiety and depression. They can lead to illness worsening, and if a carer becomes ill and cannot cope, it can lead to hospital admission. She also said something that ties in with points made earlier in the debate:

"More people with Parkinson's disease are being turned down for"—

allowances such as—

"disability living allowance and attendance allowance. There is no sense to who gets the benefit and who gets turned down...The distress this causes families is huge because they feel that they are begging. I can only imagine that families who don't have support miss out completely. The benefit is meant to pay towards the extra costs of having a disability, the fact that genuine people are being turned down means that carers"—

would end up—

"having to do even more."

My hon. Friend the Member for Edinburgh East raised carers' eligibility for benefit, which I think is and will become the key issue due to the Government's programme of cuts and the uncertainty. The Minister has already been asked the question, but will she tell us in this debate what the impact will be if those carers who lose their carer's allowance decide that they can no longer afford to care? The responsibility for caring will then fall to the local council and the state.

Jim Shannon (Strangford) (DUP): I do not think of my constituency as different from anyone else's, so I am sure that the hon. Lady will agree that young carers clearly play an important role. Those who are 16 years old and under do not qualify for any financial assistance, but their role is critical for the family, parents and those they look after. Does she feel that the coalition Government should address the importance of young carers?

Barbara Keeley: I very much agree. I have a point to make later about that topic, because the staff who work on the young carers project in my constituency have said that they are very concerned about carers losing their education maintenance allowance. That is the one support that the state gave young carers and it is going, which is a worry.

To return to the testimony from Parkinson's UK, the final points were about more carers contacting the staff member to ask for help finding respite because they are struggling to cope; financially, they cannot now afford a break, a treat or a holiday. I am glad that the hon. Member for Banbury raised that point. The staff member said:

"I know of one carer who has had to take on a part time cleaning job in the early evening because money is so tight. She puts her husband to bed before she leaves"—

for work—

"at 4pm so that he is safer and so she won't worry that he will fall while she is out."

I think that we would agree that we would rail at care agencies that put a person to bed at 6 or 8 o'clock, yet this carer has to put her husband to bed at 4 o'clock because that is the only way that she can do the cleaning job that she has to do.

I also had some input from a branch of Age Concern in Greater Manchester about how cuts to grants are affecting its dementia support service, which is important because it is another line of support. Cuts to grants of 40% over the next three years are affecting its capacity to deliver individual and group support. That goes against objectives 5 and 7 of the national dementia strategy. The staff member told me:

"Carer support groups have had to close. These are groups where carers can get a break, have a chat to other carers and get advice and information from staff. These groups help to maintain morale and prevent carers from becoming socially isolated."

Even though there are personal budgets, which will come in in Greater Manchester, carers of people with dementia often find it hard to mix in other social groups because of the "different" behaviour of the person with dementia. Carers have described the groups as a "lifeline" and something "to look forward to". The fact that they are being cut back is important.

The proactive support to carers of phoning them every few weeks is another aspect of Age Concern's work that is being cut. The staff member said:

"We now have to wait for them to contact us for time-limited intervention. We know that many older people are proud and longsuffering and will often suffer in silence rather than ask for help."

Before the cuts, branches of Age Concern in Greater Manchester ran special events for carers such as a carers day each year, parties and trips. The reduction in funding means that it can no longer offer the extras that it knows give people a better quality of life. I am very concerned to hear that carers in my area in Greater Manchester are starting to suffer.

[Barbara Keeley]

I want to return to the two sides to the debate—values and choices. We are fortunate in Salford because, due to the way in which the cuts and the organisational turmoil in the NHS are being managed, we are not suffering as much as other areas. There are choices. Labour-run Salford city council is now one of only 15% of local councils still providing support to people with moderate care needs, as well as to those with substantial or critical needs. We are fortunate to have an excellent carers' centre run by the Princess Royal Trust for Carers. Salford has tried to ensure that carers continue to be supported through these difficult times. As I mentioned earlier, however much the council and our local NHS bodies support carers and try to maintain what they are providing, the national changes and cuts affect our carers.

The young carers project will be affected when the young carers lose their education maintenance allowance. The centre manager told me of two other concerns: the changes to benefits and disabled people being called in to take work capability assessments. The extra worry of having to take them and of having benefits curtailed are starting to affect carers.

The centre manager also said that a major concern for her organisation was that although the carers' centre was very well established, the service has to go out to tender through the joint commissioning process next year. She said:

"We are aware of a number of carers' services which have gone out to tender in other areas, and bids have come in from organizations and agencies which have no experience, knowledge or expertise in carers and carer issues, including organizations from abroad."

What reassurance can the Minister give to staff of the carers' centre that an established, trusted and effective organisation such as theirs will not be undercut in the tendering process by organisations with no local knowledge and no experience or expertise with carers or in carers' issues? Our carers in Salford would lose out if they lost the valuable support that they get from their carers' centre.

The Government's economic policies are damaging support to carers. Government cuts to local council budgets have gone too far, too fast. Councils pleaded not to have their budget cuts front-loaded. We have lost £1 billion from adult care services at a time of rising need, and we have lost billions in grants to the voluntary sector, but the worst thing is that we are only a few months into the first year of cuts, and we can already see the impact on carers. Carers are fearful about the cuts and distressed that they cannot manage financially. People with serious conditions such as Parkinson's are being turned down for attendance allowance and made to feel like beggars if they appeal. Young carers are losing their education maintenance allowance. Carers are now unable to afford a break or holiday. It is shameful that a carer should have to take a part-time cleaning job and put her husband to bed at 4 pm.

That is not a record of which the coalition Government can be proud, and it is so early in this Parliament. I hope that carers week gives Ministers time to rethink the impact of the cuts that they are making.

Mr Gary Streeter (in the Chair): Colleagues, three Members have sought to catch my eye, and we have 19 minutes before winding-up speeches begin, so can we regulate ourselves to about six or seven minutes each?

3.31 pm

Mr Mark Williams (Ceredigion) (LD): Thank you, Mr Streeter. It is a pleasure to serve under your chairmanship this afternoon. First and most importantly, I congratulate the hon. Member for Edinburgh East (Sheila Gilmore) on securing this debate. It is the most timely debate that we could imagine, given that this is carers week. The hon. Members for Stretford and Urmston (Kate Green) and for South Thanet (Laura Sandys) and I were asked by Carers UK to act this week as carers' ambassadors in our constituencies and elsewhere to promote some of Carers UK's key messages.

On the true face of carers, the reality is that there are so many different faces, stories and anecdotes. As we have heard, there are 175,000 young carers. There are carers in work or grappling with the prospect of staying in work while managing their caring responsibilities—I will say a little about that in a moment—as well as elderly carers. We receive many different stories in our e-mails and postbags every week.

Let us celebrate carers week. It is about celebrating the invaluable work that carers do and showing our appreciation of those who give up their time, sometimes at a cost to their own health and financial well-being. That message has come loud and clear from many Members in this debate, and I echo it. I will focus my remarks on some of the personal experiences that constituents relay to us.

We as a society unquestionably rely on carers to provide a service, and there are clear benefits to people caring for their loved ones: not only do they make them more comfortable, but they reduce pressures on health and social services. I was privileged this week to launch a carers week event in my constituency. It involved the book "Dywedwch ''Dwi'n iawn'...a'i Olygu"—the hon. Member for Newport East (Jessica Morden) might be able to understand that—or "Say 'I'm Fine'...and Mean It". It is a good book that promotes some of the services available in my constituency and more widely. It was produced by Ceredigion council and a local project called Mind Your Heart to give carers advice on maintaining their physical and mental health. It is an excellent project. I agree with the hon. Member for Banbury (Tony Baldry) that the voluntary sector has done and is doing much, although that is being impinged on by the scale of the decisions made here and, in the context of my constituency, in the Welsh Assembly.

The outcome of a Wales-wide survey of carers—we heard the UK figures from the hon. Member for Worsley and Eccles South (Barbara Keeley)—revealed the extent of their concern and worry. As many as 71% of carers have suffered health problems as a result of caring, 64% have had to give up their career ambitions and aspirations since taking on their caring roles and 63% of carers were surprised at how hard it is to be a carer. Sometimes, at comparatively short notice—even very short notice, such as after a car accident—carers suddenly discover that they must undertake a life-changing role. Some 43% of carers have a disability, condition or illness themselves. I met an 88-year-old constituent on Sunday evening who had cared for his wife, also in her 80s, for many years. Carers week is an opportunity to highlight such issues and concerns, given the inevitable decisions on the deficit that the Government must take.

The title of this debate, commendably, refers to the effect of spending reductions on families. I will address that, but it is important to recognise that some decisions and prospective decisions made by Government could be good news for carers. However, there is a great deal of work to be done. The Government are embarked on a consultation on proposals to extend the right to request flexible working. I introduced a ten-minute rule Bill earlier this year to extend the definition of carers within current flexible working regulations and provide for so-called day one rights, allowing carers to request flexible working from when they start a job, rather than after waiting six months. I launched a lottery-funded project in my constituency with Crossroads Care and various local chambers to assist carers and boost their confidence in returning to the labour market where their circumstances permit it. The challenge of finding the confidence to return to the labour market after caring should not be understated.

We have had good news that the Government plan to introduce a right for all workers to request flexible working, which is to be welcomed as a big step forward. The Government have recognised that many successful modem businesses acknowledge the importance of respecting that their staff will have other responsibilities and that the best way to ensure that they remain motivated and reach their potential is to give them the flexibility that they need. It is a big issue. More than 150,000 people in Wales who are in paid employment have unpaid caring responsibilities. However, the Government have been less forthcoming on day one rights. There is a perception that it is somehow unfair for people who have just been appointed to a job to request flexible working. I contend that people should have the right to request flexible working at the outset. Many of us share the view that if carers wish to work, they should be given as much support as possible, but there is a barrier.

I have one minute, so I will rattle through my next points. I agree with colleagues about the concerns expressed by the hon. Member for Banbury, and consistently by Labour Members, on the arrangements for carer's allowance, changes to disability living allowance and the uncertainty involved. As the hon. Member for Edinburgh East said, clarity is lacking on those matters. I also agree with the principle that if we embark on major changes, there must be a process for monitoring, evaluating and reporting back on them. Work on the awareness of benefits is fundamental as well.

To return to my original point, a quote from a carer in my constituency illustrates why carers week is so important in highlighting cases. A lady in my constituency who will remain anonymous cares for her disabled son. She says:

> "I note the activities locally for carers week in Ceredigion, in which you are involved. I cannot attend such activities, as I am trapped at home looking after my son. When I do have time without him (when he is at school) I am at work trying to retrieve our family's financial affairs from the effects of my son's disability and trying to keep some semblance of a life for myself apart from my son. Disabled people and their carers are very often voiceless for these reasons. This sounds dramatic, but it is a very small divide between coping and not coping. And the implications of not coping are horrific."

That is why this debate is important, why carers week is important and why it is crucial for all of us to continue to press the case for carers' rights.

3.39 pm

Grahame M. Morris (Easington) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter, for the first time in a Westminster Hall debate. I echo the tributes to my hon. Friend the Member for Edinburgh East (Sheila Gilmore), whom I congratulate on securing this important debate on the effects of spending reductions on families with caring responsibilities, not least because of the important changes being made in the House of Commons in the Welfare Reform Bill.

I want to confine my remarks to a couple of issues, because of the shortage of time. A survey of more than 2,000 carers was recently carried out for carers week. It shows that 80% of unpaid carers are worried about cuts to services and that about 50% are unsure how they will be able to cope without the vital support that they currently receive. For the record and for anyone who is not involved directly as a carer, it is worth stating that three out of every five people will be an unpaid carer at some point during their lives. To respond to the point made by the hon. Member for Banbury (Tony Baldry), those unpaid carers save the economy a huge sum. It is difficult to quantify it, but it may be more than the total NHS budget—£103 billion each year.

We have done some research in County Durham. I am proud to speak up for the vulnerable, the disabled and for carers. My county alone has 61,000 carers and the estimated moneys saved to the public purse by the very important work that these unpaid carers carry out are £1 billion a year. We should not be dismissive of their needs and requirements. Each carer who works for nothing saves the Government, the taxpayer and the Exchequer the cost of a care worker, which is about £18,000 a year.

My own constituency of Easington is characterised by long-term ill health. As the hon. Member for East Londonderry (Mr Campbell) has mentioned, many carers, particularly in my area, are themselves victims of ill health. That was highlighted by a recent report by Carers UK. The legacy of coal mining and heavy industry has left many thousands of people debilitated in later life by long-term disabilities and in need of care, which is often provided not by the state, but by close family members.

I shall speak briefly about a number of issues. In particular, I want to draw Members' attention towards, and place on the record, the effects being felt by some of my constituents as a result of the transport costs they now face due to local government cuts, and towards respite care, which has been mentioned. I also want to ask the Minister a couple of questions—I hope that she will answer them—about carer's allowance and the provisions in the Welfare Reform Bill.

A constituent who came to see me recently is a full-time carer for her husband. She has one day a week of respite care. Her husband attends a day-care centre in Grampian House, in Peterlee in my constituency, once a week for four and a half hours. That is the only break she has. It is an excellent facility and I pay tribute to its care staff. I have visited it myself and a close relative of mine is in there. They do tremendous work in terms of physiotherapy and rehabilitation. However, from September, due to the front-loading of cuts of £67 million this year to my local authority of Durham county council, transport to the centre will be cut. It

[Grahame M. Morris]

will cost my constituent £72 for specialist transport, which means that she will not be able to take her break and take advantage of the respite care.

The issue of transport has been raised by many of my constituents. They understand that cuts to social care by local authorities are due almost entirely to the swingeing, front-loaded cuts that the Government have imposed. Councils are struggling to cope with massive funding reductions from central Government.

People are also aware of the impact that the Government's £18 billion package of cuts to the benefits system will have on carers in particular. The Government accuse Labour of rejecting welfare reform, but I am proud to say that we stand firm on the principle that the most vulnerable should not be paying that £18 billion when some of the richest in society—most notably, the bankers and the banking sector—contribute only between £2 billion and £5 billion to the cost of the deficit.

I shall conclude my remarks, because time is short. Another big issue that has been raised is that of ring-fencing moneys for social services, with a distinctive sum identified for carers' services—the carer's grant. Although it was not ring-fenced under the previous Government, councils at least knew how much money they were receiving for that purpose. The Minister has responsibility for public health and I would like to congratulate my own soon-to-disappear primary care trust, County Durham PCT, on clearly ring-fencing, identifying and spending its allocation from the Department of Health on the provision of respite care for people with disabilities and their carers.

How will the Government fulfil their pledges to improve the support for carers in the face of massive cuts to local government? How will the Government ensure that the proposed reforms, outlined in the Welfare Reform Bill, do not result in carers losing their carer's allowance? The Government could give two promises that would give confidence to those who are most vulnerable and most in need. First, budget cuts should not result in carers losing the services that they rely on. Secondly, carers should not lose out under changes to the benefits system.

Mr Gary Streeter (in the Chair): I call Rosie Cooper, who has four minutes.

3.46 pm

Rosie Cooper (West Lancashire) (Lab): Thank you, Mr Streeter, for the opportunity to contribute to this vital debate, and I congratulate my hon. Friend the Member for Edinburgh East (Sheila Gilmore) on securing it. I will not rehearse the arguments that we have already heard, because time is short.

As a carer for my 86-year-old father, who was born deaf, I have a deep personal understanding of the issues and challenges that many carers face. I am deeply concerned that the decisions taken by this Government will massively compound the financial and emotional pressures that carers face. Others have discussed the national policy changes, but I would like to talk quickly about issues that affect my constituents.

Both of the two cases that I wish to address relate to services provided by Lancashire county council as the social care provider in my constituency. The Derby day centre is a fantastic facility in Ormskirk. The staff are committed to providing high-quality care and support to people who use the centre. It offers a wide range of facilities to meet the needs of the individual, whether they have dementia or a physical disability. I have visited the centre many times and I am always impressed by it.

In a shock move, however, Lancashire county council has announced that it is increasing the daily cost from £5 a day to £30.75. That is not a small increase, but an increase of nearly 500%. I wonder how that fits with the mantra of not affecting front-line services. The council says that, this year, it will not charge users more than £30 a week extra. However, next year that will also increase so that people will not pay more than £60 extra. It is clear that, before long, anyone attending or wanting to attend the centre will have to pay the full cost of using it. Today, my office received a call from a centre user's family who were angered by the scale of the increases. For them, the cost will rise from £40 a month to £160 a month for two days a week at the centre. That is just one issue in Ormskirk. There are many cases in which the elderly or disabled are being impacted by Lancashire county council decisions. The dial-a-ride service, for example, has been almost decimated. Some families will grumble about the cost but will be able to pay. Others will not be able to meet the costs and the council will help. However, a great number of families in the middle will be sitting at home wondering whether, financially, they can afford to continue to use the centre and, conversely, whether, emotionally, they can afford not to.

The second case is a group of mums who told me of their concern about funding for Aiming Higher for Disabled Children. That programme finished at the end of March and since then no short breaks or activities have been available for families, even for a day or a few short hours. The county council has said that it will consult parents on how the scheme will work but, in the meantime, there are no services—zilch, nothing. No support is being offered whatsoever, and that is a huge burden. I understand that the summer holidays are coming up and that interim arrangements will be made, but that still does not address the proper concerns that exist. In 2010-11, the funding for Aiming Higher was £4 million. Officers are now telling us that only £3.5 million will be available for two years. That is a reduction of a half. Does the county council believe that half the need for the scheme will evaporate while it is considering its budget cuts, or is it dumping the care, responsibility and the cost of children with disabilities back on to hard-pressed parents?

I will end my remarks because I have to cut them short. I am really, really sad that when the local newspaper asked me about the matter, I said, "Well, this is now the typical Conservative attitude. They know the price of everything and the value of nothing." I find it gut-wrenching that the elderly and the most vulnerable will have to live with the consequences of the Government's decisions. We keep hearing that we are all in this together. Families with caring responsibilities in West Lancashire are now realising that some people are in this more than others. How can the Minister justify this, and look carers and their families in the face?

3.51 pm

Emily Thornberry (Islington South and Finsbury) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter. The debate could clearly have gone on for twice or perhaps three times as long. A feature of it has been the number of people who wanted to speak and have not been able to. My hon. Friend the Member for Newport East (Jessica Morden) wanted to speak, as did my hon. Friend the Member for Birmingham, Erdington (Jack Dromey). My hon. Friend the Member for Glasgow Central (Anas Sarwar) had also prepared something, and my right hon. Friend the Member for Croydon North (Malcolm Wicks) had told me that he wanted to make a contribution. The fact that many people have shown an interest in the matter demonstrates its huge importance.

I congratulate my hon. Friend the Member for Edinburgh East (Sheila Gilmore) on securing the debate. It is very easy to come out with a number of platitudes about carers, but carers want to hear what we will do to help them. Carers probably save this country more in money than is spent on the national health service. By 2017, it is likely that the UK will reach a tipping point, as the number of older people needing care will exceed the number of people of working age with families. There will be a crisis and we need to ensure that we are up to dealing with it. We must be able to support those people on whom we rely entirely. As has been said, if anyone is demonstrating the Prime Minister's big society, it is carers up and down the country, so we need to look after them.

Where is the good news? There is some good news, which has come from the Law Commission. It has published a report that has largely received broad support from social care groups. A number of proposals are well thought out and will be well received, for example, rather than the carer needing to request an assessment, the local authority will have a duty to provide one. In addition, those assessments should be made for people who provide some care, rather than being restricted to those providing substantial care. Both those proposals are sensible. The third proposal is to ensure that a national system of eligibility assessments will provide some consistency across the country and allow people to move from one local authority to another without there being a huge time lag, which causes great distress to families. That will allow some portability of care.

The Under-Secretary's brother Minister who is responsible for care, the Minister of State, Department of Health, the hon. Member for Sutton and Cheam (Paul Burstow), has so far welcomed the Law Commission's report. In his pre-coalition past, he expressed support for many of the ideas it recommends. However, many of the issues will not come within the Department of Health's ambit, but within that of the Department for Communities and Local Government. Given that the Secretary of State for Communities and Local Government has indicated that he wants to conduct a review of local authority duties, there is some concern that he may be resistant to a new duty being put on local authorities to ensure that carers are assessed as well as the person needing care. I hope that that is not the case and that people are speaking strongly in his ear, so that the Law Commission's recommendations can be implemented in full because they are to carers' advantage.

The other piece of good news may be the Dilnot inquiry. I met Mr Dilnot again today. He is very generous with his time and is meeting a broad range of people. The meeting he had with me and my right hon. Friend the Member for Wentworth and Dearne (John Healey) was the first of eight meetings that he is holding today. Of course, we all agree that we need to make fundamental changes, that the status quo will not do and that we must have a fundamentally reformed care system. The Opposition believe that there should be high-quality care for those who need it and that care needs to be funded in a fair way, with proper accountability for those who deliver it.

We repeat the Leader of the Opposition's invitation, which was made on Tuesday 7 June. We welcome cross-party talks and we would like them to happen as soon as possible. We will come with an open mind because we want to be able to work together for the best way forward. I understand that the Prime Minister has welcomed that approach, but we still have an empty diary and we want to be able to get on with it. If the failures of the past are repeated, we will not be forgiven by those who use the care system or their families. It is important to remember that, even with co-operation and a fair wind, we are unlikely to see any of Dilnot's suggestions implemented until 2014-15. The current problem for carers is what is happening now to the social care system and their support .

I am afraid that that takes me to the end of the good news and into the bad news. As has been said very eloquently by my hon. Friends, social care cuts are clearly having a fundamental impact on the lives of carers. I was going to congratulate the Minister of State, Department of Health, the hon. Member for Sutton and Cheam on finally taking his fingers out of his ears, stopping singing, "La la la la la," and accepting that the cuts to social care will affect front-line services. That is inevitable; there is no other option. Given that social care is top-tier councils' biggest area of discretionary spending, we simply cannot have 27% cuts to local authorities without there being cuts to social care. It just does not work. Unfortunately, the Government have ignored the advice of the Association of Directors of Adult Social Services and the Local Government Group, who know what they are talking about.

Although no centralised assessment of the impact of the cuts to local government on social care was carried out, several people have done the Government's job for them. A wealth of evidence has been provided by ADASS, the BBC and my own survey. As has been mentioned, my survey of the directors of social care received 61 replies from councils and shows some very worrying results. I am pleased that the Minister of State, has complimented my survey as being robust, accurate and, indeed, more reliable than that done by the BBC. However, he needs to look at the impact of it and what it means. We will do the survey again next year and the year after, and I am afraid that we will not get good news.

ADASS has shown this year that the shortfall to adult social care spending is £1 billion. The Government have done their best not to affect adult social care, but next year they have to cut again and the year after they have to cut yet again. If things are bad now, as has been so eloquently reported by my hon. Friends, where are we going? Do the Government have any idea of the impact of these cuts on carers? This has already been

[Emily Thornberry]

asked, but I repeat: how many of those who no longer meet councils' very narrow eligibility criteria will need to rely on the informal care provided by their families? Do the Government know how many carers will have to go without support from their local authorities and will, as a result, be forced to give up work to meet their new obligations?

I was particularly pleased to hear what the hon. Member for Banbury (Tony Baldry) said about respite care—I support him in that. The Government are right—our Government was right—to ensure that money is put aside for respite care. The difficulty is that the mechanics do not work. Primary care trusts have been given that money. It is not ring-fenced. It is not clearly labelled. There is no accountability. The Department of Health is very unclear about which PCTs have spent it, in what way, how much they have worked with local authorities, or how much they have worked with carers—there is no overall picture. Frankly, is that not the sort of thing that the Government should do? It is not just a question of handing out the money. Surely there needs to be some form of accountability.

The Princess Royal Trust for Carers has been doing its best to conduct an audit of that, just as I am doing an audit of local authorities and the impact of the cuts on social care, but surely that should be a job for Government. Surely the Princess Royal Trust for Carers has things to do other than conduct an audit of whether the money given by the Department of Health to PCTs for respite care for carers is actually being spent on carers. That is part of the knock-on effect of the chaos that has been created through the proposed partial abolition of PCTs in the Health and Social Care Bill. What action will the Government take if PCTs do not work with local authorities and carers of organisations to publish plans and budgets?

The other piece of bad news, which has been mentioned, is welfare reform. We welcome the Government's announcement that carer's allowance will be outside universal credit. We also welcome the news that disability living allowance will be excluded from the overall benefit cap. However, the bad news is that, when the Government talked about introducing personal independence payments, they said that there would be a 20% cut to DLA. It is not just a 20% cut to DLA. Those people will not be springing from their beds, suddenly well. People with dependants will still be there. Not only will they, but their carers will lose their money, because carer's allowance will be attached to DLA. There will, therefore, be a huge impact on the families of those people who are losing their DLA. Do the Government have any idea of how many carers will lose out as a result of moving DLA to the personal independence payment and the 20% cut? Are the Government aware that carer's allowance is not excluded from the proposed benefit cap, while DLA is? I am sure that the Minister would agree that that is, at the very least, not consistent, let alone fair.

Mr Gary Streeter (in the Chair): Order. It may help the hon. Lady to know that the debate ends at 4.10 pm, and I want to give the Minister some time to respond.

Emily Thornberry: May I just come back to this last point? It is shocking that, at a time like this, carers suffer in the way that they do. It is a question of priorities and hard choices. As my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) so eloquently put it, it is not right that a woman has to put her husband to bed at 4 o'clock in order to do a part-time cleaning job to pull things together. It makes "We are all in it together" hollow rhetoric.

4.2 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): It is a pleasure to serve under your chairmanship, Mr Streeter. Time is very short. I have about seven minutes, so I say up front that I will ensure that hon. Members receive a note to answer the questions that I will not be able to address. As the hon. Member for Edinburgh East (Sheila Gilmore) knows, this is an important debate. Like her, I would like to feel that this is about more than just press releases this week. Indeed, we praise carers this week. We should praise them every single week and every single day—those we know about and those we do not.

As the hon. Lady knows, in her constituency the Scottish Government have overall responsibility for devolved budgets and I am sure that she will therefore take up some of the issues with them. I note the cautionary tale about ring-fencing—mentioned by a few other hon. Members—and also tracking funding. Local authorities, however, have a duty to provide community care to those who meet eligibility criteria. The Department has set out an eligibility framework, which is important to bear in mind.

Who cares for the carers? Somebody first said that to me a very long time ago—in fact, when I was a district nurse. Those with caring responsibilities need care themselves, so that they can maintain their own health and well-being. Although it has not been mentioned today, the figures on the physical, mental and emotional health of carers are shocking.

Care and support services from both the statutory and voluntary sectors face challenges, irrespective of funding, like never before. Demographic changes mean that most of us will either become carers or need care. Some of us already care for children with disabilities and are often lifetime carers. Others care for partners as they grow older; some for ageing parents, neighbours or friends. Carers come in all shapes and sizes, and with different needs. It is important, when government at any level tries to meet the needs of carers, to recognise that they need specialist and personalised help, which is why personalised budgets are an important step.

I will run through some of the money that is coming through, so that hon. Members can raise, with their local authorities, what is happening to it. The spending review allocated an additional £2 billion by 2014-15 to support the delivery of social care. Some of that funding is already getting through. Some £162 million went in during January, which was money transferred from NHS budgets to support care services that improve people's health and support carers. A further £648 million will pass to local government in England in the same way. A further £1.3 billion is now supporting the transfer of funding and the commissioning of learning disabilities services from PCTs to local councils, which will help. One hon. Member raised the issue of integrating services. That is very important. It applies to several Departments, and it is also true at local authority level.

Taken together, that is the biggest ever transfer of hard cash from health to social care. That is an important development and comes on top of the £530 million for social care this year from the Department of Health, which we rolled up into the Government grant formula. The Department for Education is providing more than £800 million in the next four years for short breaks—they are absolutely critical; respite breaks are a lifeline to parents of children with disabilities—as part of the new early intervention grant.

We recognise that the current funding system needs overhauling. We cannot avoid the wider challenges that demography brings us. My hon. Friend the Member for Banbury (Tony Baldry) was 100% right about how the money is spent, and the hon. Member for Edinburgh East also mentioned monitoring. It is extremely important that we identify carers early, so that we can meet their needs early and they can continue to do what, essentially, they want to do, which is to care for those who live with them.

The Dilnot commission will report in July and will help us find new ways to modernise the funding of social care and ensure that it is more in line with the demands and expectations of the 21st century. The carers strategy, which we published in November 2010, sets out our priorities. Those priorities are important because we measure what central Government and local authorities do against them. They are: to support those with caring responsibilities to identify themselves as carers at an early stage, and involve them in designing local care provision and planning individual care packages; to enable those with caring responsibilities to fulfil their educational and employment potential, which is absolutely critical as young carers do not necessarily get to any step on any ladder as far as education and employment are concerned; to personalise support for carers, which is critical, and to support carers to maintain physical and mental wellness, because the physical burden of providing care for a friend or family member can be significant. Ideally, carers who are identified at an early stage can get the help that they need.

My hon. Friend the Member for Banbury mentioned the work that Sainsbury's is doing. We should congratulate it. Of course, it is not a substitute for other things, but it is an important addition. Tomorrow morning, the Minister with responsibility for care services will launch a new e-learning tool for all GPs, developed in partnership with the Royal College of General Practitioners and the Princess Royal Trust for Carers. That will be an important tool in enabling GPs to do what we need them to do. The Department of Health has made a further £1.5 million funding available for other initiatives to support GPs to help carers further. Alongside the carers strategy, we published examples of how the principles of personalisation have been applied locally, emphasising the value of finding ways forward that make sense and work best locally.

I have to say to Opposition Members that the country is financially where it is because that is where we found it when we took over from the previous Government. The hon. Member for West Lancashire (Rosie Cooper) shakes her head. We cannot get away from the fact that we inherited a massive budget deficit that we are now having to tackle. Opposition Members look as if they are in denial. The hon. Lady, who is a sensible person, asked how we could look carers in the face, but how can members of the previous Government look carers in the face? We have been left with some difficult decisions. We have to ensure that every £1 of taxpayers' money actually buys £1-worth of care, to support carers in the ways in which they need it.

Eyesight Tests (Drivers)

4.10 pm

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I am delighted to have secured a debate on eyesight regulations for drivers, especially as we are in the middle of national eye health week. As I speak, an event to mark the week is taking place in Parliament, and in my home city of Sheffield a wide range of organisations is holding an awareness day in the city centre. South Yorkshire police, in conjunction with the Sheffield Royal Society for the Blind, are focusing on the issue that brings me here today: the importance of good sight for driving and, in particular, drivers who do not realise that their sight is deteriorating.

I have been engaged on the subject for some time. I was contacted by my constituent Joy Barnes, whose niece tragically died in a road accident caused by a driver whose eyesight was not up to the necessary standard. Joy's niece, Fiona Buckley, was just 43 when she died. She was born with spina bifida and hydrocephalus, so spent much of her adult life in a wheelchair. Fiona worked in the city centre Shopmobility service and in the Royal Hallamshire hospital as a welcomer. A bubbly person, she enjoyed a lively social life and, in her younger days, was an accomplished swimmer, later becoming an avid photographer and Scrabble player. Her family describe Fiona as a generous and courageous spirit.

At 10 pm on 6 December 2008, Fiona was crossing the road, with her friend Kay Pilley walking just behind. Witnesses said that the car approaching did not attempt to overtake or brake, but ran straight into them, and Fiona was thrown over the vehicle. She suffered a major head injury and her pelvis, spine and leg were broken. Six weeks later, she died in hospital from multiple organ failure. Kay suffered head and knee injuries and was treated at hospital; she could not remember what had happened.

Police officers subsequently tested the 87-year-old driver's eyesight, and found that he could not read a car number plate from the required distance of 20.5 metres. He was later found to have cataracts in both eyes, which had probably been there for some 18 months. A doctor said it would give him "foggy or hazy" sight that could have rendered Fiona almost invisible to him. He also suffered from age-related macular degeneration, which blurs the central vision. With his right eye, he could see only from 6 metres what people with good vision can read from 24 metres. The driver admitted causing death by careless driving, but the judge decided not to punish him for killing Fiona. The driver was given only three penalty points. Fiona's aunt, Joy Barnes, speaking on behalf of her wider family said:

> "Fiona's death hit us all hard. The driver should not have been on the roads with such poor eyesight and it is a travesty that nothing is done to make sure that drivers meet a minimum standard of sight. If this driver had been made to have a sight test to keep his licence then Fiona would still be with us."

During the current driving test, the examiner gives the driver three chances to read a number plate, from 20 metres for vehicles displaying the new-style plate or 20.5 metres for old-style plates. Following that, the drivers of cars, small vans and motorbikes need not take any form of eye test for the rest of their life, unless they voluntarily report that they have a serious vision impairment to the Driver and Vehicle Licensing Agency. Once drivers have reached the age of 70, in order to renew their licence they are asked to confirm that they have acceptable vision, but they are not required to prove it.

The Department for Transport has been consulting on the medical standards that should apply to eyesight tests for safe driving. Astonishingly, the Department is proposing that the testing distance should be reduced from 20.5 metres to 17.5 metres. The Sheffield Royal Society for the Blind is extremely concerned that any relaxation in the requirements could be detrimental to road safety. Can the Minister give me details of the evidence that was considered before reaching that proposal? What is her evidence to suggest that such a test is adequate in any way?

The current eyesight test is simply no longer fit for purpose. In contrast with the tragic death of Fiona Buckley, it is not possible to attribute many road accidents directly to poor eyesight. Eyesight is often only one of the factors that might be involved; others include the time of day, the weather, the condition of the road and tiredness. However, it is common sense that poor vision will impair any driver's performance, even taking into account all other conditions.

The distance number plate test has been in place since the 1930s and is outdated. It has remained unchanged, despite increased numbers of vehicles on the road and developments in road safety standards and clinical technology. It is not scientifically based and does not reflect modern day knowledge of vision. The number plate test also only measures visual acuity—put simply, the ability to see at a distance. It does not produce consistent results and can be affected by environmental conditions. Drivers can fail the test in different lighting or weather conditions. Several scientific publications have questioned the accuracy and reliability of the number plate test as a method of screening visual acuity. Also, it does not test visual field—put simply again, the ability to see around while looking straight ahead. Visual field loss can advance significantly without a person becoming aware of a problem. For instance, glaucoma is a condition that someone can have and yet pass a number plate test with insufficient field vision.

The current system also requires self-reporting and therefore relies on individual drivers being aware of the required standard, realising that they do not meet it and knowing that not notifying the DVLA of any problem is a criminal offence. However, many drivers do not notice what can be a gradual change in their vision, remaining unaware that they fall below the required legal eyesight standard.

Jim Shannon (Strangford) (DUP): I can suggest one method of checking everyone's eyesight, including mine. I register an interest as a diabetic—type 2 of course, controlled by diet. If people visit an optician every year, the optician tells them about their eyesight. Might that be a method whereby people can check if their eyesight is deteriorating?

Meg Munn: The hon. Gentleman makes an interesting point about what could be done if the current system, which puts the onus on the driver, continues. I will argue, for good reasons, that an eye test should be a requirement.

Many people with glaucoma do not have any symptoms until the condition is quite advanced. The National Institute for Health and Clinical Excellence guidance advises that once vision loss becomes apparent, up to 90% of optic nerve fibres might already have been damaged. The general manager of Sheffield Royal Society for the Blind, Steve Hambleton, said:

"when people are diagnosed with an eye condition that impacts upon their ability to drive safely, the onus is on the driver to notify DVLA. We encounter too many people who do not do this and continue to drive. In these days of data protection etc., it is extremely difficult if not impossible for organisations such as ours to advise DVLA of our concerns."

Last month, I attended the launch of the UN decade of road safety, which was addressed by the Secretary of State for Transport. The UK has a proud record: Great Britain had the fourth fewest road deaths per million people, we have been in the top five performing countries throughout the past decade and we were in first place in 2009. Yet on eyesight testing, we are lagging behind many countries and many of our neighbours in the European Union. The EU has recently published directives to standardise driving licences and to harmonise European standards. The UK lags behind best performance of most other European countries in assessing drivers' vision. A report released only this week outlines that a majority of EU member states assess visual acuity and visual fields in advance of issuing a first full driving licence. The UK is among the minority that requires no further assessment of vision throughout a driving career.

The 2006 and 2009 EU driving licence directives continue a long path to harmonise driving licences with the overall aim of improving road safety and facilitating enforcement throughout EU countries. Is the Minister really content to see our otherwise excellent record on road safety lag far behind the best practice of our near neighbours? Given that the EU directive recommends a visual field of at least 120 degrees, how can the number plate test be sufficient to comply?

The only way to make sure that drivers continue to have adequate vision is to make eyesight testing mandatory at regular intervals throughout the time they hold a licence. Drivers should have to provide regular proof that they have had their eyes tested by a medical professional and that they meet minimum standards for visual acuity and visual field. That should happen at least every 10 years, coinciding with drivers renewing their photo driving licence. That would be a simple and inexpensive step that would vastly improve the eyesight of drivers throughout the UK. I also recommend that when drivers reach the age of 70 and have to self-certify that they are fit to drive, they should be required to submit evidence from an appropriate professional that they have a safe and legal level of eyesight.

The present inadequacies must be addressed. That view is supported by the Optical Confederation, which represents 12,000 optometrists, and the 6,000 dispensing opticians and 7,000 optical businesses in the UK. Those organisations and many others concerned with road safety have submitted their concerns to the Department for Transport's consultation. Will the Minister report on the outcome of the consultation, and when will the Government respond to it?

Having good eyesight is one of the most basic requirements for safe driving. It is widely recognised that 90% of sensory information when driving comes from vision, which underlines the importance of always driving with good eyesight. Being an experienced and skilled driver who is aware of the dangers of the roads is simply meaningless if one is unable to spot hazards in time. Research shows that one in six drivers cannot see well enough to pass a very basic eyesight test. People who are reluctant to give up their driving licence cannot be relied on to inform the authorities if they have eyesight problems.

Making the changes that I suggest would have public support. In vox pop interviews this morning, my local radio station, Radio Sheffield, spoke to five people—only a few, but four of the five thought that those changes were sensible and saw no problem with them. BRAKE, the road safety charity, released a survey, which no doubt involved a few more people than the five in Sheffield, showing that 75% of drivers support compulsory eyesight testing for drivers every five years.

Continuing with a system of drivers self-reporting any problems that they may have is not the answer. Poor driver eyesight kills, and every death is devastating to the people involved. The Government should act on the professional advice, which commands support among drivers, and change the driving test to ensure that all drivers can see what lies ahead of them while on the road.

4.23 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to serve under your chairmanship, Mr Streeter. I congratulate the hon. Member for Sheffield, Heeley (Meg Munn) on securing this debate, on her speech today, and on her long-standing work on this important issue. It is a welcome opportunity to highlight the crucial point that those with defective eyesight that does not meet the required standards should not drive on our roads.

I want to put on record my sincere condolences for the hon. Lady's constituent, Joy Barnes, on the tragic death of her niece, Fiona Buckley, in the incident that the hon. Lady described. The case was tragic, and I offer my sympathies to Fiona's family and friends for their loss.

In responding to the issues raised by the hon. Lady, it may help if I reiterate and clarify the current arrangements for renewing the entitlement to drive. Most drivers do not need to renew that entitlement until the age of 70. They must then renew every three years for as long as they remain fit to drive. Someone at the age of 70 could be fitter, more alert and more active than some individuals who are younger, which is why licensing decisions are based on health rather than age. Although age is not always a reliable indicator of an individual's physical and mental health, it is widely accepted that health can deteriorate in old age in ways that may affect the ability to drive safely.

When renewing their entitlement to drive, drivers must, as the hon. Lady said, complete a self-declaration affirming their ability to read a number plate from 20 metres away. They must also confirm that they do not have any medical condition that affects their ability to drive safely. That allows attention to be focused on those individuals who declare that they have a medical condition, those who have been found to have one, and those who need some sort of investigation to determine

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whether they can retain their licence to drive. Those detailed investigations into medical fitness to drive may include the collection of information from the driver and their doctor, a physical examination or a driving assessment.

The hon. Lady expressed concern about drivers who do not tell DVLA that they can no longer meet the level of fitness, including eyesight, needed for driving. One may speculate that that is because they worry about the impact of losing their licence, or because a medical condition makes them unaware of the implications of their failing health. That is why DVLA accepts notifications from third parties, and that is an important element of the enforcement process. Around 8,000 notifications of concern received from doctors, police and family members are investigated each year. Guidelines produced by the General Medical Council for doctors confirm that they are justified in telling DVLA about a patient who fails to stop driving following medical advice to do so. Similar guidelines have been produced by the College of Optometrists for its members.

DVLA forms and literature remind drivers of the ongoing requirement to meet the eyesight standard, and specifies that failure to meet the standard is an offence. Whenever DVLA contacts drivers, consideration is given to whether it is possible to highlight the continuing obligation to notify the DVLA of defective eyesight and appropriate medical conditions. We also seek to give information to drivers about the conditions that they must tell DVLA about relating to field of vision. That is an important part of the enforcement process. Directgov has an A-Z of medical conditions to help drivers to decide whether they need to tell DVLA of any aspect of their health. Detailed guidelines for doctors are also available to help them to advise their patients on medical notification requirements.

The Government's view is that the current arrangements strike the right balance between road safety and personal mobility. There is not sufficient evidence to suggest that a more burdensome and costly regime would have a significantly positive effect on road safety. The majority of older people continue to drive safely, and to retain insight into their ability to do so.

Meg Munn: I understand what the Minister is saying about conditions, and being able to look things up, which is fine if someone knows that they have a problem, or someone has suggested that their sight is deteriorating, for example, but much of the evidence is that people simply do not know. Providing information does not help them, and unless they have a test they may not know that they are suffering a problem.

Mrs Villiers: As I said, whenever possible, the communications that DVLA sends to drivers refer to those conditions to alert them to the continuing need to ensure that they can pass the 20 metres test. One of the benefits of that test is that it is simple, and people can do it if they walk outside this building. We seek in those ways to alert people to the importance of doing that test regularly. On the whole, older people make sensible decisions about when and how they drive, and some older drivers voluntarily engage with local services to improve their driving skills and get independent advice.

The hon. Lady made a number of points about the effectiveness of the number plate test as a way of testing vision. As she said, the standard of vision required for safe driving requires someone to read a number plate at a distance of 20 metres. For people with visual field problems, other specific standards have to be met. All drivers are required by law to meet the appropriate eyesight standard at all times while driving. If they are unable to read a number plate, even if that is only because they failed to wear the appropriate prescribed glasses or lenses, they are committing an offence. Driving licence applicants must declare that they are able to read a number plate to obtain a licence. They will be asked to prove their ability to do that to their driving instructor during the practical driving test.

I assure the hon. Lady that we comply with EU directives on the visual field. The number plate test is not expected to test the visual field. A visual field problem is caused by an underlying medical condition, and those with such conditions are required by law to notify the DVLA, which has long-standing procedures in place to assess whether the minimum visual field requirements are met. Those requirements include referral to an optometrist for a specialist examination and report. The Government believe that the number plate test is an effective screening tool. Its use as a means of assessing whether a driver meets the required eyesight standard has been subject to departmental and Scientific Advisory Committee scrutiny, and it has stood the test of time.

The hon. Lady referred to a consultation document that was issued in relation to a possible revision of health standards for driving. That consultation looked at whether, instead of maintaining our current higher standard, the UK standard should be brought into line with the minimum required by the European Union. No decision has yet been made, but if it were proposed to align our standard with the minimum standard required by the EU, the distance over which someone is required to read a number plate would be reduced. Responses to the consultation are being analysed; some issues need further consideration and that is under way at the moment. It is important that any proposed changes are evaluated fully and that appropriate consideration is given to their potential impact. The points raised by the hon. Lady this afternoon will no doubt feed into the process of reaching an ultimate decision. Once an evaluation of the consultation responses is complete, the Government will take an informed decision on how to proceed and issue a formal response to the consultation.

In the meantime, there is much to be said in support of the current system. The number plate test is a simple and functional assessment of vision that can be easily carried out in the driving environment and reproduced regularly by an individual, as opposed to a periodic appointment with an optician. Although it is largely a test of visual acuity, to some extent it can test glare and contrast sensitivity. It provides a good indication that the licence holder meets—and continues to meet—the required visual acuity standards for driving. The test is easily reproduced at Driving Standards Agency test centres by examiners, and at the roadside by the police.

At a modest estimate of £20 per test, it would cost more than £20 million each year if an optician's certificate or eyesight test were required by the 1 million motorists who apply for their first driving licence. If such a test were compulsory for each of the 2.5 million motorists

who renew their driving licence each year because their photograph is 10 years old, it would cost more than £50 million a year.

Meg Munn: The Minister is generous in giving way again. Given the cost of motoring, the figures she mentions are tiny amounts of money compared with what people spend on learning to drive. Does she understand how complacent she sounds, and how angry my constituent will be at her response? Given her inability to offer any comfort to my constituent, will the Minister take on board the need to do a great deal more to raise awareness of this issue?

Mrs Villiers: I completely refute the allegation of complacency. The Government are very focused and place high priority on road safety. We are determined to continue the UK's good record on road safety, but we believe that the current arrangements are an effective means of maintaining safety on our roads. We must take into account the costs of what the hon. Lady proposes. Household budgets are stretched at the moment and it is tough for people to add to those budgets commitments of this kind. If each of the 1.5 million motorists who renew their driving licence at the age of 70 were required to undergo such a test, that would cost a further £30 million each year—a significant sum of money. As all drivers over 70 are entitled to a free eyesight test, that additional burden and cost would fall on the Department of Health and the devolved Administrations. Added to that is the caution that, while an optician's certificate, or equivalent, might provide assurance that someone has had their eyes tested, it would not guarantee that they could meet the current eyesight standard while driving, or that they used their prescribed glasses or corrective lenses. The optician's test does not provide all the answers.

In conclusion, the Government are confident that current arrangements are effective and working well. The UK has one of the safest road networks in the world and I am afraid that we simply cannot justify the cost that indiscriminate, mandatory eyesight screening would impose on individuals, the Government and the devolved Administrations. Furthermore, there is little evidence to suggest that compulsory formal eyesight tests would have any marked positive effect on road safety.

The coalition Government take road safety seriously and are determined to maintain and improve the country's long-standing and strong record. Any road death caused by defective vision is an avoidable and unnecessary tragedy, and all of us who use UK highways must take personal responsibility for ensuring that we have an appropriate level of vision for driving. I take the opportunity to place on the record how important it is that all drivers, regardless of age, do not simply wait for their next eye appointment, but check regularly that they can read a number plate from a distance of 20 metres. That simple test can alert individuals to a deterioration in their vision that they may not have noticed, and to the need to make an appointment to see their optician. The number plate test is saving lives on our roads. It is an effective test in which the Government continue to have confidence.

Housing (Bradford)

4.37 pm

Mr David Ward (Bradford East) (LD): I do not think that our paths have crossed, Mr Streeter, but I am pleased to serve under your chairmanship and to face my colleague the Minister. This is a wonderful opportunity to highlight an important issue, and I hope that I do it justice.

A famous statistic alleges that Bradford once had more Rolls-Royces per head of population than anywhere else in the world. If that were ever true, I am sad to say that it must have been a long time ago. I remember being a young councillor during the recession of the 1980s—that really was a recession—and one council estate I represented had 70% male unemployment. Most of the unemployed men on that estate walked out of school in the '50s, '60s or even the '70s, and went straight into jobs. Sadly, when made redundant, many never worked again. Sadder still, their children went on to have children who have never worked.

Believe it or not, two thirds of the entire Bradford district is rural, and it is one of the most diverse areas in the country. It ranges from the prosperous Ilkley, where house prices are, surprisingly, at their highest ever level at present, to areas such as two wards in my constituency where, in some parts, 68% of children are categorised as living in poverty.

Bradford has gone from being one of the wealthiest cities in the world to being a city with deep economic and social problems. Over 30 years, Bradford has had millions of pounds of regeneration funding from every scheme that was on offer. The schemes were not without success, but the fundamental weakness of the economy has led to deep-rooted problems of poverty, high unemployment, low educational attainment, dire health outcomes in many areas, a decaying housing stock and, at times, as we know, frightening social tensions.

The housing problem stands out as one of the many consequences of economic failure in Bradford. I started this speech on housing by referring to the declining economic history of Bradford because, in addition to the contribution that housing policy can obviously make to meeting housing needs, it can make a contribution as a fundamental element of the regeneration of the community's economy.

I must admit that there are many concerns about some of the proposals that the Government are considering. Those include changes to the shared room rate and paying the rent element of universal credit directly to tenants. That may have severe consequences: 80% of the tenants of the largest social landlord are on benefits. The changes include flexible tenancies, restricting housing benefit for tenants who are under-occupying and capping local housing allowance at the four-room rate. Many of those changes will potentially have adverse effects on people in Bradford. I will continue to campaign on those issues on other occasions. Today, in the limited time available, I want to focus on the most crucial aspect of housing policy—its contribution to economic regeneration.

The Government's housing policy as it affects Bradford can at worst impair economic regeneration, or, if delivered with consideration of and adaptation to local circumstances, play an integral part in fulfilling the deep need for

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economic regeneration. I am sure that the Minister is well briefed and is well aware of the scale of the difficulties that we face. On current projections, Bradford's population will increase by 150,000 in the next 20 years. To meet the projected growth, we need at least 2,700 homes each year. Currently, we are missing that target by a long way.

Philip Davies (Shipley) (Con): I commend the hon. Gentleman for bringing this debate to the House. As he knows, there are two proposals for big building developments in Micklethwaite and Menston, in my constituency, on beautiful, picturesque green fields. Does he agree that building houses on the outskirts of the district does nothing to alleviate the housing need in the centre of Bradford and that at a time when the council and all of us are trying to regenerate the centre of Bradford, it is rather counter-productive to build houses in that part of the district, the residents of which will shop in Leeds, regenerating Leeds even more, rather than Bradford?

Mr Ward: That is a massive issue. I am sure that the hon. Gentleman is well aware of the fact that, as people progress up the housing chain, they move out of the inner-city areas. There is a long history of that happening in Bradford. The simple answer is that the housing must come from somewhere. We are missing the targets on new houses: at the peak of the housing boom in 2008, just over 2,000 houses were completed, but by last year the number had fallen to just 700.

Bradford's low-wage economy and high unemployment in the areas where housing demand is strongest mean that about half the homes required will have to be in the social rented sector. There, the gap in delivery is even greater. Currently, fewer than 300 affordable homes are built each year—it is little wonder that there are 20,000 people on the social housing waiting list.

Added to the high demand for new homes is the fact that much of Bradford's private sector accommodation is not fit for people to live in: 40% of Bradford's private sector accommodation currently fails the Decent Homes standards; 10% is overcrowded; and across the district more than 7,000 properties stand empty and, often, derelict.

How could a national housing policy contribute to the economic regeneration of the Bradford district? Bradford has the youngest, fastest growing population outside London. That could be a great opportunity for Bradford's economy, but only if there is somewhere for those people to live. Meeting the demand for new housing and stock improvement would provide much needed jobs in the construction industry. The Home Builders Federation has calculated that, for every £1 of public money spent on social housing, a further £3 of private sector investment is generated. Tackling poor-quality housing could change the image of Bradford. Our housing is critical to the way in which we are perceived as a district and to the confidence that investors require to put money into the district. In addition, improving basic housing conditions would remove many of the factors that contribute to the poor health and low educational attainment that perpetuate cycles of deprivation.

My concern is that the array of housing measures proposed by the Government will fail the test of delivering the quantity and quality of housing that we need to underpin the economic revival. Bradford's ability to meet its targets for affordable housing will inevitably be hit by the halving of national capital funding. The Government's much lauded affordable rent model is seen as a way forward in terms of replacing direct Government funding. We are told that it will generate 150,000 new affordable homes. It may well offer a viable replacement for lost grant funding in many parts of the country where market rents are high, but it is unlikely to be the answer in Bradford.

There is very little difference in Bradford between target rents and 80% of the market rent. I know that the Minister is aware of that. Taking into account the fact that the areas with the highest turnovers also have the lowest rents—of course, this measure will apply only to re-lets—Incommunities, the largest social housing provider in the district, which manages two thirds of the social housing, has projected that using affordable rents alone would generate for the whole of the Bradford district only an additional £120,000 a year. That would be almost but not quite enough to build two or three houses.

I am sure that the Minister will be keen to mention the new homes bonus—a key plank in the Government's housing policy and one that in principle we have to support. The danger is that the policy simply gives more to those who already have, where land values are higher. Because of the distribution of funding being based on council tax bands rather than the grant formula of the Department for Communities and Local Government, which is based on levels of deprivation, Bradford will again lose out.

My fear is that funding will be skewed to areas with healthy housing markets at the expense of more deprived grant-dependent local authorities such as Bradford. Certain areas will gain additional homes because the affordable rents model will work, but on top of that, they will get the new homes bonus. I stress that the new homes bonus and the affordable rent model, as the two key policy levers for increasing housing supply, will not work sufficiently in areas such as Bradford and that broader consideration of other policy mechanisms is needed. It is not enough to say, "It cannot be expected to work everywhere." We need measures that will work in a place such as Bradford.

It is not as if we are not trying as best we can with the limited resources available. The council has been attempting to tackle poor-quality housing through equity share and home appreciation loans, which in the long term would provide a small but self-sustaining pot of funding. However, the loss of the private sector renewal grant means that when the scheme comes to an end, there will be no provision to help vulnerable people to fund improvements to their properties.

The role of the private sector in realising economic benefits is crucial, and I am sure that the Minister welcomes the good cross-sector work that is going on through initiatives such as the Bradford Together procurement partnership, a public-private sector partnership that links construction contracts with the development of skills and jobs, which will benefit local communities. Over the last five years, Incommunities, the largest registered social landlord in the district, has built 400 homes,

which has created jobs and provided 30 apprenticeship places. There are successes—they do exist—but they have to be set against the context of complex and large-scale housing needs.

What am I asking for? I seek a commitment from the Minister that he will speak in Bradford to those engaged in the challenge of increasing the quantity and improving the quality of housing in the district; they know far more about the subject than I ever will. I would welcome a response from the Minister about the possibility of the large surpluses generated in some parts of the country through the affordable rents model being redistributed to areas such as Bradford, that gain so little from the scheme. In a recent case, a registered provider, Affinity Sutton, considered investing in affordable housing in Bradford, using a surplus generated in the south, but it was unable to take that forward because the Homes and Communities Agency was unwilling to allow it to reallocate surpluses between regions.

The Minister may also like to say whether he believes that it would be sensible to take account of the difference in additional revenues generated through the affordable rents model, and to see whether they can be taken into account when calculating the allocation of grants through the HCA. Should not the remaining grants be targeted at those areas that have an acute need for affordable housing but are without the conditions required to benefit from the affordable rents premium?

I welcome the £100 million of additional funding to bring empty homes back into use—I have already mentioned the 7,000 empty properties in our district—but that amounts to only £338 per empty private home in the country. When considering the scale of the problem in places such as Bradford, I question the adequacy of the amount being made available. I ask that it be reconsidered. My plea is that the Government should resist the temptation to micro-manage and centrally control how the money is used—avoiding that is localism at its best. We have creative and innovative people working in the housing sector in Bradford, and I would welcome the Minister's assurance that the Government will trust them to do what works best in our area.

The challenges that Bradford faces can at times appear daunting, but they are not insurmountable. Housing can be part of the solution to unlocking Bradford's economic potential, but only if we get the policy levers right. Conversely, if we are not able to tackle housing effectively, Bradford's problems will be compounded by the growing cost of homelessness, overcrowding and squalid conditions. As these problems escalate, households' basic needs will not be met, and the search for a job will take a back seat for those affected as they try to deal with their living conditions.

If the Government are to be judged a success, they need to understand places such as Bradford when considering legislation. To take the time to understand places such as Bradford and to respond accordingly would be a much more critical test of the Government, and would be evidence of the extent to which they actually care about them. We await the outcome of that test with desperately keen interest.

4.54 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure, Mr Streeter, to serve under your chairmanship. I am pleased to have the opportunity to have the opportunity to respond to my hon. Friend the Member for Bradford East (Mr Ward).

My hon. Friend said that he was a councillor as a young man; those in the Chamber can see that it can only have been a year or two ago. He has a long history of serving his constituents with great diligence as a member of the council and, since last year, as a Member of Parliament. He painted a clear if at times rather bleak picture of Bradford, and of the extremes of poverty and riches there and the problems for his constituents in respect of education, health and, as he rightly said, housing.

The Government certainly share my hon. Friend's view that housing is an important component of building a growing economy. That is why we are continuing to invest in housing, through the Decent Homes programme, to bring social housing up to an acceptable standard, and through a new-build programme. We are not simply rolling forward the programmes that we inherited, although we are continuing with them, but developing a new programme using the affordable rent model. I hope that I can give my hon. Friend some comfort that the Government appreciate the problems that Bradford faces—and other places, too, but my hon. Friend highlights Bradford—at a time when, of necessity, the UK economy is in a period of stress.

My hon. Friend asked a number of specific questions. One is easier to answer than most. I think that he has invited me to speak in Bradford. I am happy to speak in Bradford—and, indeed, more or less wherever I am invited—and to say something about the Government's policies.

Mr Ward: I invited the Minister to come to Bradford to listen.

Andrew Stunell: That was a very proper correction, from a most diligent constituency MP. I would be even happier to go to Bradford to listen than to have to give any kind of response or speech. I am sure that we can come to a way of operating that provides both of us with what we need.

My hon. Friend asked whether the affordable rent model might work to Bradford's benefit. I shall say something about that in a moment or two. He also put in a plea that the Government should not try to micro-manage how Bradford chooses to operate. I hope that he will take some comfort from the actions of the Government so far; in particular, I draw his attention to the fact that we have de-ring-fenced—a new phrase—many of the specific grants that were the bane of local government when budgeting and making policy. That gives Bradford far more flexibility to decide its priorities and how it should spend its money for the benefit of its citizens. Further measures will assist, under the local government resource review, details of which are likely to be published next month. I can promise to visit Bradford, and I can promise that there will be ever less micro-management, although we doubtless need to keep prudence thoroughly in mind.

The Government are committed to increasing housing supply across the country. We have an investment programme designed to achieve that—in fact, we will add 150,000 affordable and social homes during the life of this Parliament. Included in that is bringing back

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into use 5,000 extra empty homes, which I hope will be some consolation to my hon. Friend. However, I cannot guarantee that they will all be in Bradford. Clearly, we are also looking at ways in which we can bring empty homes back into use, stimulate action and promote good practice without necessarily requiring money to be spent either by us or by Bradford. We are investing in new homes and in getting empty homes back into action.

My hon. Friend mentioned the new homes bonus. Let me remind him that Bradford has benefited from the new homes bonus to the tune of £2.8 million this year, and that was without Bradford even trying. The figures that were used in allocating that money were simply based on the number of additional homes that became available in Bradford during last year, before the council or anybody else knew that that was how we were measuring things. In future years, there is the opportunity for Bradford and its partners to work harder and more diligently to bring empty homes into use, for which the new homes bonus is payable, and also to bring new homes into use.

The growth that my hon. Friend has reported for Bradford is part of a general growth across the whole country. More households are being formed each year. They are being formed at their highest level since the 1940s, and yet the number of homes being built is at its lowest level since the 1920s. The previous Government left the country in a position in which house building was at its lowest peacetime level since 1924. We inherited social housing waiting lists at record levels. There are currently 250,000 families living in overcrowded conditions. The reality is that the number of social homes in the country has gone down by a significant number. We have seen a reduction of more than 400,000 social homes available for rent since 1997. Of course that frustrates people. It frustrates my hon. Friend, and it certainly frustrates his constituents who are left on the waiting list. We have a clear intention to address that situation.

Let me pick up on my hon. Friend's point about how our new policy of affordable rents might benefit Bradford. I want to make it clear to him and to the partners who deliver housing in Bradford that there is no ring-fence on funding from the conversion of re-lets to prevent money being generated in Sutton by Affinity Sutton and used to fund development and build in Bradford. It is true that the affordable homes framework document encourages partners to reinvest the capacity generated from affordable rent in the area from which it was generated, but that is all that it does. It encourages such practice; it does not place a ban on doing something else. My hon. Friend has it in mind that there was a scheme for Affinity Sutton to build 200 homes in Bradford, but because it offered us a reason for not going ahead with it, a rule was passed that prevented it transferring the benefits of affordable rent elsewhere to use the money to invest in Bradford. That is not the case. Perhaps we can discuss that separately. If he needs me to reinforce that point, I would be happy to join him in meeting the Homes and Communities Agency .

The affordable rent model allows the Government to build more social and affordable homes than they would have been able to do if they had kept in place the model that they inherited. That model required more than £80,000 of subsidy per home in order to produce a home for someone to occupy. The model that we have will require less than half that money per home. We are stretching the resources so that we can build the largest number of affordable homes possible. There is nothing in that model that prevents money being spent in Bradford to deliver the homes that my hon. Friend wants.

I have spent a long time dealing with some of those points, but I hope that my hon. Friend gets some sense that the Government take seriously the kind of situation that he has so eloquently outlined.

I also want to make it clear that among the other things that are available is the green deal, which will allow many homes, especially in the private sector but not exclusively so, to have investment to bring them up to a more acceptable standard and to make real inroads into fuel poverty for my hon. Friend's poorest constituents. That plus the energy company obligation, the money that we are investing in empty homes and the other work that we are doing to make more efficient use of the social housing stock will, I hope, give my hon. Friend some comfort that we are making a good attempt to deal with the problems that he has identified.

My hon. Friend said that the test for this Government would be whether we took seriously the towns, the cities and the communities, such as his constituency in Bradford. I say to him that we are taking all parts of the country extremely seriously. That is reflected in the way in which we amended our grant-making formula at the start of this year to increase the amount of stress that we place on poverty and the way in which money should be distributed. It is why we introduced the transitional payments and why we have the regional growth fund. Areas such as Bradford could bid for RGF funds which could then be matched by European regional development funding.

My understanding is that Bradford did not submit a bid to the first round of regional growth fund applications. I do not know whether it has bid for the second round, but a route exists for investment to be made in Bradford, using the Government's regional growth fund.

I look forward to my visit to Bradford and to listening to my hon. Friend's constituents very carefully. I hope that I can reassure him that Bradford will be free to deliver as it sees fit with the money that it has available. I look forward to working with him over the next few years to make absolutely sure that at the end of this Parliament he has the satisfaction of knowing that he has improved Bradford with the help of the Government.

5.8 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 16 June 2011

[MR JOE BENTON *in the Chair*]

BACKBENCH BUSINESS

Student Visas

Motion made, and Question proposed, That the sitting be now adjourned.—*(Jeremy Wright .)*

2.30 pm

Paul Blomfield (Sheffield Central) (Lab): It is a pleasure to open the debate with you in the Chair, Mr Benton. I thank the Backbench Business Committee for allocating time for consideration of this important issue. My request was supported by hon. Members from all three main parties. In that spirit of consensus, I will begin by endorsing the words of the Home Secretary when she made her statement on student visas to the House:

> "The UK has a worldwide reputation for providing quality education to overseas students, and Britain is rightly the destination of choice for many people wishing to study abroad".—[*Official Report*, 22 March 2011; Vol. 525, c. 855.]

Indeed, that reputation—that quality—has made UK education a major export. My constituency includes both our city's outstanding universities—Sheffield, where I spent most of my working life, and Sheffield Hallam, where I was a governor for seven years in its previous incarnation as Sheffield City polytechnic. The issue is critical for those institutions, as it is for many across our country. Some 12% of the university of Sheffield's income—a total of about £50 million—derives from international student fees, with more than £20 million of Hallam's income coming from the 10% of their students who come from overseas. In addition, the two universities estimate that their international students spend around £90 million a year in the Sheffield city region.

We also have Sheffield college, with 300 overseas students contributing £1 million in fees and probably a further £1 million in local spending. Also in my constituency is Sheffield international college, which provides language courses for up to 1,000 students a year paying £10 million in fees and contributing up to £15 million to the local economy. Overall, international students contribute approaching £190 million a year to Sheffield's economy. Just pause to think about that in terms of the number of jobs and businesses they support in just one city.

The UK is the second most popular student destination in the world after the United States. Overall, the international student market is estimated to be worth £40 billion to the UK economy. It is a growing market in which we have been increasingly successful. From 2000 to 2008, our world market share rose from 1% to 11%, while at the same time the US share dropped from 24% to 19%, so there is a lot at stake in the changes that we make to our student visa system.

Andrew Selous (South West Bedfordshire) (Con): I congratulate the hon. Gentleman on securing this debate. I support the Government in wanting to have robust checks on the level of students coming in, but there is a particular issue for this year where offers have been made. The universities thought that they could have some discretion on how the English tests were set. Where offers have been made, there is a particular issue this year, given that the proposals are so prescriptive. Does he agree with that point about the time scale?

Paul Blomfield: I thank the hon. Gentleman for that intervention, because I very much agree with that point. It is one that I intend to come to. There are two issues that we need to cover: the proposals overall, where relatively small changes would make a significant difference, and the transition to the new system.

I accept that the Government recognise the significance of the changes and the enormous concern that exists within Parliament and across the sector. In their consultation on the original proposals, the Home Office received more than 30,000 submissions. I recognise that the Government made significant changes that were widely welcomed within the sector, but there remain significant points of concern that our universities and colleges believe will threaten recruitment and therefore threaten our economy. Indeed, as hon. Members will be aware, the Home Office impact assessment, published on Monday, demonstrated that the proposals were likely to cost the UK economy a shocking £2.4 billion, and perhaps up to £3.6 billion.

Mr Ben Bradshaw (Exeter) (Lab): Does my hon. Friend agree that the impact is devastating for English language schools in my constituency? They have already been devastated in terms of applications as a result of the changes. If we look at the turnout today, the geographical spread of hon. Members' constituencies, and the number of them present, shows that there is a serious problem that the Government need to get a grip on.

Paul Blomfield: I very much agree with my right hon. Friend's point. There is concern across the sector, in higher and further education, in language schools, and, indeed, across the whole country. Judging by the hon. Members present today, I am sure that will be reflected in the contributions to the debate.

I do not believe that the Government are deliberately seeking to damage the economy through these measures, but, by their own assessment, that will be the effect. Over the past few weeks, Ministers have told us that good government is about listening, pausing the legislative process and making changes to get things right. Student visas are another issue where changes are needed to get things right, so let me move to the areas that I believe need attention. First, on English language requirements, my point is not about fundamental change to the Government's proposals, but about getting implementation right. Let me start with universities. The UK Border Agency's statement of intent for the new system, which was published in March, stated that:

> "We will allow higher education institutions to choose their own method of assessing the English language competence at B2 level."

However, the subsequent UKBA clarification document, which was issued in April, requires higher education institutions to demonstrate B2 levels of competence in all four components. It also says that, if there is any

[Paul Blomfield]

doubt about a student's language, UKBA is likely to ask them to undertake their own approved tests—it is a crucial point—even if the institution has made an unconditional offer. That clearly conflicts with UKBA's own statement of intent. In my constituency, Sheffield's universities accept only students with good English, but they do not currently require students to meet the specific subset scores now demanded by UKBA; they do not need to.

Only this week I was talking to the vice-chancellor of the university of Sheffield. He gave me the example of what he described as a brilliant physics PhD student who had contributed enormously to one of his research groups, but who probably would not have passed the language requirements.

Paul Farrelly (Newcastle-under-Lyme) (Lab): My own university, Keele, has a strong record in attracting overseas students. It also makes a vital financial contribution. The vice-chancellor has written to me about the changes. Keele has more than 1,700 offers outstanding at the moment, many of which have to be summarily revisited. Like my hon. Friend's universities and most other universities, it accepts only students with good English capabilities, but it now finds its discretion has been removed. Will he urge the Minister and the Government to reconsider the issue, particularly with regard to any unintended consequences?

Paul Blomfield: I thank my hon. Friend for his intervention and join him in urging the Minister to look again at that issue. We should trust the universities to determine adequate levels of English competence. After all, they have, through their own initiative and ability, developed our education into this worldwide export earner.

Tony Lloyd (Manchester Central) (Lab): My hon. Friend is making an excellent speech. He talks about the offers that universities have made that may now have to be withdrawn. The vice-chancellor of the Manchester Metropolitan university, whose views will be very similar to those of people up and down the land, said to me that he is now in the difficult position of having

"to notify students who have accepted offers that they must now meet new conditions. We are also concerned about the legal ramifications of altering the terms of offers already accepted."

In other words, the universities could be sued and lose out financially above and beyond the visa withdrawal.

Paul Blomfield: That is absolutely right. This afternoon, we need to consider the transitional arrangements for the introduction of these new requirements and the position in which they put our universities.

Richard Fuller (Bedford) (Con): The hon. Gentleman is making some sensitive contributions on this important issue. In response to an earlier intervention, he talked about trusting our universities to assess English. Does he also accept that we are going through a period of time in which that trust in some colleges has not been something that we can rely on? How would he ensure that immigration student visas are there for valid educational reasons and that there is enough scope and control, while, at the same time, allowing that amount of trust to the colleges that he is talking about?

Paul Blomfield: The hon. Gentleman raises an important point. Part of the difficulty with this debate is that it has focused on discouraging international student numbers from the demand side. We should be looking at it from the supply side by dealing with those institutions that forfeit trust. I agree with the highly trusted sponsor system, which is the same trajectory of policy as that of the previous Government.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my hon. Friend on securing this debate. Overseas students are absolutely vital in Oxford both for the universities and the many language schools. Is not one damaging feature of what the Government have done the erection of this huge bureaucratic maze through which institutions have to go? Would Government Members not be complaining rightly about red tape if this applied to any other area of exports? Clearly this issue has been exempted from the red tape moratorium. Is not the answer to bring forward a system that combines highly trusted status, proper inspection and a proper operation of country risk profiles?

Paul Blomfield: My right hon. Friend makes an important point from his huge experience and from the fact that there are two excellent universities in Oxford and I certainly agree with him.

Let me move on to the problems that have been created by the speed of implementation. When the Home Secretary was announcing the revised tier 4 arrangements in March, she said:

"We recognise the need to implement these changes in a staged manner that minimises disruption to education providers and students."—[*Official Report*, 22 March 2011; Vol. 525, c. 858.]

We all know, I think, that that is not happening. The new requirements took effect on 21 April at an advanced stage of the university's admission cycle and at a point where a number of offers had been made and, crucially, had been accepted. In Sheffield, our two universities and Sheffield international college had already made more than 20,500 offers to prospective students for degree-level courses and currently have 1,300 offer holders and applicants for English language programmes. All those offers have to be revisited as applicants may now no longer meet the UKBA's new subset score requirements. The colleges must now notify students who have accepted offers and who, therefore, have a legally binding contract with them that they must meet new conditions. They are deeply concerned about the legal ramifications of such a change and the damage that could be done to their reputation. They have to alter the terms of the offers that have already been accepted. Could that not be avoided by having transitional arrangements in place to enable students to be admitted in this new academic year on the terms on which offers have been made?

The Minister for Immigration (Damian Green): Let me clarify this matter. If the certificate of acceptance was issued before the new rules came in, the new rules do not apply. There is no retrospection in this. Before this hare is set running, let me stop it because it is simply not true.

Paul Blomfield: I thank the Minister for his intervention, but I have to say that that is certainly not clear to our universities.

Lilian Greenwood (Nottingham South) (Lab): Does my hon. Friend share the concerns expressed by the university of Nottingham in my constituency? Not only were these changes implemented very quickly, but detail on the changes is released in policy guidance and is changed on numerous occasions. The university says that the UKBA's list of approved English language qualifications in the policy guidance changed numerous times between 21 April and the end of May, which is when there is a peak in the number of admissions that the university has to deal with.

Paul Blomfield: My hon. Friend makes an important point. It goes back to the fact that the Government are not achieving the Home Secretary's desired intent, which is to ensure that these changes are introduced in a non-disruptive way.

I return to the point that the Minister made. Clearly, there is confusion within our universities, so it might be helpful if he undertook to liaise with Universities UK to put out a statement saying that all offers made will be honoured without the requirement to meet the new visa regulations—if that is what he said.

Damian Green: If an unconditional offer was made and accepted, the certificate of acceptance would have been assigned before 21 April and that remains valid for six months and therefore for the coming academic year. I met Universities UK and it was as a result of our discussions that the new guidance was put on the website. I am trying hard to meet the needs of both universities and hon. Members in this debate. To those who ask for flexibility and for me to talk to Universities UK, I can say that that is exactly what I have been doing. As a result of that, we have now produced new guidance, and I hope that hon. Members are satisfied with it.

Paul Blomfield: I thank the Minister for that contribution, but there is still some need for clarity. As my hon. Friend the Member for Nottingham South (Lilian Greenwood) has indicated, there is still a great deal of uncertainty. A lot of activity is currently under way in our universities to re-verify the offers that have been made.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I congratulate my hon. Friend on securing this debate. Did he, like me, hear the Minister say that the position was the same for those students who had received an unconditional offer and an acceptance? I am not sure whether I heard the Minister clearly. If that is the case, it does not deal with the many students who had conditional offers, which is one of the problems that the universities and colleges are facing.

Paul Blomfield: That is a helpful observation from my hon. Friend. Will the Minister cover that point in his later remarks?

May I raise another transitional problem that was mentioned to me by the academic director of Sheffield international college regarding its preparatory programmes for the university? Sheffield international college provides pathways programmes. About 600 of its students each year go on to one of our universities in Sheffield. These students came to the UK with a conditional offer to proceed to the university of Sheffield if they succeeded with their language course at Sheffield international college.

They arrived in good faith but now face a change that has required a small number of them to sit additional English exams in their final term so that they can renew their visa. The new regulations require minimum levels of achievement in elements of the English language test that were not required on the students' entry to the UK. Consequently, they find themselves in the final term of their programme working hard to try to stay in the UK to complete it rather than working hard to achieve their conditional requirements.

In addition, the new requirements came into force on 21 April, during the Easter break, and that has reduced the amount of time that some students have had to fulfil them. Earlier this week, I was contacted by Sheffield international college about four Chinese students in my constituency whose visas expired yesterday. For the past seven weeks, the college has been trying frantically to arrange for the students to sit the new tests, in different places across the country, before their visas expired. The students understand that they have to pass these new tests so that they can apply to extend their visas, but it has not been possible for them to sit the tests because the UKBA testing system has been unable to offer a sufficient number of tests. The system simply cannot match the demand that has been created by the chaos caused by the revisions of the visa requirements. In turn, that has led to three of the students at the college deciding to return to China this weekend. They have been unable to complete their course, their year of study has been wasted and potentially they will be unable to progress on to their degree programmes. How many other students are there across the country in a similar situation and what reputational damage does all that do to UK education internationally?

Jeremy Corbyn (Islington North) (Lab): If those particular students have been asked to return to China, can my hon. Friend confirm whether they have been told that they cannot re-enter the UK for a further five years, on the basis of a failed immigration application, or will they be allowed to return to the UK when they have completed the test?

Paul Blomfield: I thank my hon. Friend for his intervention. I should clarify that the students have not been asked to return to China. They decided to return to China because they have been unable to secure the tests that they now need to sit in order to proceed to university on the basis of their original offer.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I congratulate my hon. Friend on securing this debate. He is, of course, a member of the Business, Innovation and Skills Committee, which visited China earlier this year. While the Committee was there at the end of February and the start of March, robust representations were made—let me put it like that—by both businesses and students in China about the forthcoming visa regime in the UK. The evidence that my hon. Friend has just given reinforces the negative impression that exists in China about the welcome that Chinese students will receive here. Does he agree that that is significant not

[Mr Adrian Bailey]

only for the intake of students from China, with all the benefits that accrue from that intake, but for the long-term relationships, particularly the long-term business relationships, that could accrue from a country that will be a leading global economy?

Paul Blomfield: I very much agree with my hon. Friend. Only yesterday I was talking to the pro vice-chancellor of one of our north-western universities. It has an associated campus in China, which he visited recently. He made the point about the damage that is being done to our reputation abroad. There is another issue to which the Minister might want to refer later. Notwithstanding the changes that have been made, there has been residual reputational damage, which we need to address as a country by working with our universities and colleges on a positive promotion of Britain as a country that is open for business.

Mr Andy Slaughter (Hammersmith) (Lab): My hon. Friend is making a very good case, assisted by the fact that there are about 25 Members here to support him and also by the fact that the Minister has had to intervene regularly to try to clarify the Government's position.

My hon. Friend has identified two specific problems. First, I have several language schools and other schools in my constituency that are suffering, so I know that there is great competition internationally in this field. We were ahead of the game and now we are behind it. That is causing not only reputational damage but genuine economic damage to very good schools, which may go under because the Government are sending out all the wrong signals.

Secondly, I received an e-mail from Leiths cookery school, which is in my constituency. It was told two months ago that instead of 20 places for non-EU residents, it would have only three. That makes not only a big business difference but a big culinary difference to that school. *[Laughter.]* We are now becoming a bit of a laughing stock in the international market because the Government are constantly chopping and changing in accordance with a political agenda, which is undermining education in this country.

Paul Blomfield: I thank my hon. Friend for his contribution, which echoes the concerns that I and other Members have expressed.

I now want to discuss a second area of concern, which is the changes that are being made to the post-study work route. Having worked with international students, I know that post-study work opportunities are an important factor in their choice of country in which to study. In a question that I asked when the Home Secretary made her statement on student visas on 21 March, I regretted the fact that she dismissed post-study work and said that international students should simply judge which country to study in on the strength of the academic offers that they received. As anyone who works with or in universities will know, the reality is that the total offer is the critical factor in a student's choice of which country to study in.

Post-study work provides students with the chance to consolidate their learning in a relevant context and to obtain full value from what has been a considerable investment in the UK educational system. Equally, having talked to companies in Sheffield, I know how much they value the chance to recruit talented international graduates, particularly those with a PhD, for a time-limited period.

Keith Vaz (Leicester East) (Lab): In evidence to the Home Affairs Committee's inquiry into student visas, post-study work was critical. However, we also need to look at the basis of our discussion of student visas. Those who come as students and stay on specifically to work in a particular field because of the degree that they have managed to obtain are actually not migrants at all, because they wish to leave the country eventually. Is it not the point that if they are not migrants they should not even be included in the immigration figures?

Paul Blomfield: I thank my right hon. Friend for his intervention and, having read the Home Affairs Committee's report on student visas, I also thank him for the quality that that report has added to the discussion of this issue. I very much agree with him about the specific point that he has just made, namely that we should not consider international students as migrants. Certainly immigration is an issue and when I talk to people on the doorstep in my constituency they express concern about it, but nobody has ever expressed to me any concern about students being in Sheffield.

I know that the Minister, when he addresses this issue, will say that we are bound by the requirements of the United Nations, which defines migrants as those travelling to another country for more than 12 months. However, our main competitor in this market is the USA and it has chosen not to define students as migrants.

Nic Dakin (Scunthorpe) (Lab): I congratulate my hon. Friend on securing this debate. Earlier this week I spoke to the vice-chancellor of Lincoln university and she told me that the current arrangements for post-study work gave the UK a competitive edge in the market for international students. Does my hon. Friend share that view and, indeed, has he culled that view from universities across the country?

Paul Blomfield: I thank my hon. Friend for his intervention. That view has certainly been expressed to me on many occasions by many vice-chancellors. It also reflects my experience of working with international students. As I said earlier, this is a market in which we have been spectacularly successful, growing our world share of it from 1% to 11% at the same time as the USA's world share of it dropped. One of the contributory factors in that decline in the USA's world share was the way in which the USA messed around with its own visa requirements during that time.

Mr Stewart Jackson (Peterborough) (Con): I congratulate the hon. Gentleman on securing this important debate. However, in fairness, he is not using a holistic approach. The Home Office concedes that one in five students in higher education and on pre-degree-level courses will become a de facto economic migrant, and therefore the complete fiscal impact, given the net rise in immigration, will clearly include an effect on the public purse and on the delivery of important public services.

Paul Blomfield: I assume that the Home Office, as a diligent Department, took account of all the relevant issues when it published its impact assessment earlier this week and indicated that the proposals' effect on the economy would be minus £2.4 billion.

Mr Andrew Smith: My hon. Friend is being very generous in giving way. Is not the response to the hon. Member for Peterborough (Mr Jackson) that he is ignoring these graduates' contribution through their wealth creation, skills and taxation payments? If the Government will not listen to us, should they not listen to Sir James Dyson, who not only sits on the Prime Minister's business advisory group but headed an innovation taskforce for him? Sir James said:

> "It is sheer madness to be effectively chucking out graduates who we desperately need. I am afraid what it will end up doing is driving firms like us abroad because we simply can't get people to do our research and development."

Paul Blomfield: I very much agree with my right hon. Friend. I have talked to companies in Sheffield, and they say that the opportunity to have some of the best intellectual talent in the world working with them in product development and improving manufacturing processes is a startling benefit that our city gets from its two universities.

I will move on to the specifics of an area that the Government have seen as problematic: the post-study work route. I understand, unless there are more changes that the Minister wants to share, that under the new proposals international graduates of UK universities will, from April 2012, need a confirmed job offer for a graduate level role—that is fair enough—but which pays at least £20,000, and they will need to apply for a tier 2 visa for the job before their tier 4 visa expires. There is nothing wrong with limiting work to that of a graduate level, but the imposition of a £20,000 salary threshold is too restrictive for some sectors and regions. Sheffield university tells me that its average graduate starting salary falls below £20,000: in arts and humanities it is £16,600, in pure science it is £16,100 and in social sciences it is £18,000. According to the graduate employer survey of 2011, graduates in Yorkshire should generally expect a starting salary of between £15,000 and £18,000.

One of Sheffield university's strengths is architecture. The students' union international students' officer, Mina Kasherova, in written evidence to the Business, Innovation and Skills Committee, highlighted the problems facing architects: they need to gain work experience after graduation to obtain their professional qualification, but they will not be able to get such a post with a salary of more than £20,000 through tier 2.

Richard Fuller: This is an open question. The hon. Gentleman made the point that the average salary requirement for a student coming to this country to go on to post-graduate study would be higher than that which a student from this country would normally accept. Does he believe that we ought to set the bar higher for international students, as a point of principle?

Paul Blomfield: We should ensure that we make a realistic offer to students coming here. If we say that we recognise, as the Home Office has, and as the Government have in their reconsideration of their original proposals, that post-study work is part of the attraction of coming to this country, we have to be able to offer that work meaningfully, for the benefit both of the students and, as some of my hon. Friends have said, of companies here. Universities UK has pointed out that this problem extends to a range of professionals, including trainee solicitors, pre-registration pharmacists and optometrists.

The second problem in relation to post-study work is the reduction of the period that students have in which to find a job, from one year to that indicated by the date of expiry of their tier 4 visas. Universities UK points out that recruitment in certain roles and sectors is cyclical, and that some individuals might not be able to apply for certain roles because their visas will have expired before the recruitment process takes place. Will the Minister consider applying some flexibility and common sense to the starting salaries and the time period?

A third area of concern is the maximum length of study. Universities UK is worried about limiting the maximum total period of leave to five years of study at national qualifications framework levels 6 and 7. If that limit is rigidly applied, it will prevent international students from studying a four-year undergraduate degree followed by a two-year postgraduate programme. I recognise that there will be exceptions, but they should not be limited to courses that lead to the award of a professional qualification or registration, because there are many other long courses at both undergraduate and postgraduate level. The limit is causing concern to Scottish universities in particular.

The fourth area of concern is a very distinct one, and I mention it on behalf of the hon. Member for Stourbridge (Margot James), who would have been here herself but for the demands of a Public Bill Committee. I understand that she has corresponded with the Minister on this, and is awaiting a reply to her latest letter. In her constituency, as in mine, the Ruskin Mill Educational Trust runs a college that provides practical skills therapeutic education for young people aged 16 to 25 who have a range of learning difficulties. It offers just five places each year to overseas students and, due to the specialist nature of its work, the annual fees are between £70,000 and £100,000. The students there clearly work at or below NQF level 1, and therefore will always fail to meet the requirements for level 3. This is clearly not abuse of the system but something that needs a common-sense and flexible approach.

All the issues I have raised are ones of detail, and dealing with them will not undermine the Government's objectives. Failing to deal with them, however, will undermine the recruitment efforts of our universities and colleges. In conclusion, I wish to make a general point about the Home Office's impact assessment. It is extraordinary that we seem to be pressing ahead with proposals—the Minister has signed them off—that it has been demonstrated will cost the economy possibly £3.6 billion, including £170 million in tuition fees over the next four years. That will mean millions lost to our universities at a time when they can least afford it because of the changes that they undergoing, and billions lost to the economy at a time when we can least afford it. I hope, therefore, that the Minister will genuinely reflect on these issues and make changes that will not undermine his policy goals, but avert that damage.

Several hon. Members *rose—*

Mr Joe Benton (in the Chair): Order. Before I call the next speaker, I take the opportunity to mention that I intend to commence the winding-up speeches at no later than 5 pm. A number of Members have indicated that they wish to speak, and obviously everything will be done to try to get everyone in, but I ask you all to bear that in mind.

3.9 pm

Mr Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your chairmanship for what I think is the first time, Mr Benton. I congratulate the hon. Member for Sheffield Central (Paul Blomfield) on his cogent, intelligent and measured speech. If I might make one slightly negative observation, it was perhaps very narrow, and I understand that, given that he pursued his constituency interest, rather than looking at the overall picture on immigration. It is a mark of how important this issue is that the hon. Gentleman has the support of so many of his hon. Friends, who will no doubt make eloquent pleas on behalf of the higher education and other institutions in their areas.

The Government's policy must be seen not simply in a vacuum or within the narrow parameters of student visas, but in the context of the Government's commitment to reducing net immigration. That policy position is supported by a substantial majority of the British electorate; it was clearly enunciated in the Conservative election manifesto in May 2010 and it was recapitulated in the coalition agreement of that month, which is the basis on which this Administration put forward their policies.

I have to say that the position we have taken was also a constituent part of the policy pursued by the former Government. The right hon. Member for Birmingham, Hodge Hill (Mr Byrne), and even the right hon. Member for Morley and Outwood (Ed Balls), have expressed concerns and linked the inability to deal with immigration to the fact that the Labour party achieved its second-worst electoral result last year.

Yasmin Qureshi (Bolton South East) (Lab): Does the hon. Gentleman not agree that these measures will only make the UK a less competitive and less attractive destination in the international student market, which is a significant growth area?

Mr Jackson: Time permitting, I hope to articulate the slightly wider view that universities have not only a narrow remit to deliver education to their paying customers as part of a contractual relationship, but a social responsibility to educate the people of this country appropriately.

Richard Fuller: My hon. Friend makes an excellent point. One problem with the lens through which the previous Government looked at immigration policies was that it often focused predominantly on economic perspectives. Having had years of immigration, which have kept working wages down, and hearing that we need different immigration policies based on economic benefits, the British people want to see immigration brought under control first before they move forward. Does my hon. Friend agree?

Mr Jackson: My hon. Friend makes an astute point. Incidentally, there is no empirical, anecdotal or demonstrable academic evidence to show that there will be a significant impact on good-quality institutions and the courses they offer. That is simply because we are going forward incrementally, and we cannot yet assess the impact.

Yasmin Qureshi: I thank my hon. Friend for giving way. He says that there is no empirical evidence, but all of us have received letters from university chancellors in our constituencies and adjoining constituencies. They are specifically and clearly saying that the Government's measures will radically affect their institutions financially and in terms of the facilities that they provide for other students. How can the hon. Gentleman say what he has said?

Mr Jackson: I am touched that the hon. Lady calls me her hon. Friend, and I am happy to accept that sobriquet. I would direct her to the recent comments by Nicola Dandridge of Universities UK, who said that the Government's proposals

> "take into account many of the concerns expressed by Universities UK and will allow British universities to remain at the forefront of international student recruitment."

That was said after an exhaustive, detailed and comprehensive consultation with key stakeholders, including language schools, universities, colleges of further education and others intimately involved in the system.

Mark Lazarowicz: If I am called to speak, I hope to refer to a letter that I have had from the principal of Edinburgh university, Professor Sir Timothy O'Shea. The university was founded in the middle of the 16th century, and its chancellery recently passed a humble address on the occasion of the Duke of Edinburgh's 90th birthday. Is the hon. Gentleman saying that it is not a reputable institution and that the concerns raised by the principal are not real?

Mr Jackson: The former Prime Minister was an alumnus of Edinburgh university. However, none of us is in any doubt that we live in an age of globalisation and that we must be competitive. The Government's template and watchword is that we will be open for business and geared to growth across a number of areas, including manufacturing, services, finance and higher education. We all understand that that approach is based, in the higher education sector, on the reputation, kudos and prestige of the institutions involved, and none of us has any argument with that. I truly and sincerely believe that the Government and my hon. Friend the Minister would not hastily introduce proposals that damaged that reputation.

The onus is on those taking the Government to task to demonstrate that the proposals will damage the reputation of the higher education sector and that they are not—as I believe, and as the Chairman of the Home Affairs Committee would surely concede, given the views expressed to his Committee—about dealing with bogus institutions, bogus students and overstayers. I will talk later about the financial impact, which I mentioned in my intervention on the hon. Member for Sheffield Central.

The wider issue is that if we do nothing about net migration, we will have a population of 70 million in 20 years and one of perhaps 80 million in 50 years. Under the Labour Government, net migration quadrupled to 237,000 per annum between 1997 and 2007. With the exception of Malta, England is now the most overcrowded country in Europe, along with the Netherlands. Under the former Government, 5.2 million people came into this country as foreign migrants, while 2 million left.

As I said, senior parliamentarians have noted that significant mistakes have been made. I draw hon. Members' attention to the projections made about European Union migration before the free movement directive came into

force in 2004. Officials at the then Home Office told us that about 13,000 to 15,000 EU migrants would seek temporary work under the worker registration scheme, but they were out by a factor of 25, if not more.

Keith Vaz: I have no objection to the hon. Gentleman's widening the debate, because he touches on the context of the Government's actions. However, on his last point, we cannot do anything about EU migration. Does he not agree that we should be careful about restricting genuine people from taking genuine, legal routes to come here to study, because we cannot stop people coming from the EU? Does he not also agree that it is essential that we know the figures—how many people come in and how many go out—when we debate immigration? To this day, we do not have accurate figures.

Mr Jackson: The Chairman of the Select Committee makes his point in his normal charming and intelligent way. My wider point, which he anticipates, is that the former Government made no effort to anticipate EU and non-EU immigration. Indeed, it has recently come to light that they suppressed research commissioned by the Department for Communities and Local Government, which looked at some, although not all, of the negative consequences of large-scale migration.

All I am asking in considering the specific and narrow point about tier 4 student visas is that we genuinely look at the cost-benefit analysis for the wider community. Yes, we can argue about nuances and value judgments made by individual higher education institutions, but at the same time we must concede that within the wider policy framework, these decisions, which are essentially about large-scale migration, have wider ramifications. That is consistent with the Government's view that we must move away from the inexorable conveyor belt towards a population that will be significantly greater within 25 years than the population of Germany or France, for example.

The policy has been flexible and there has been appropriate consultation. It is aimed principally at bogus students and overstayers. I would like to see the evidence that HE institutions will be adversely affected, because the level of graduate unemployment across all disciplines in the UK stands at something like 20%, which is pertinent when considering public policy on the recruitment of international students who might stay to work after the conclusion of their studies. That is fair. If we look at the fees regime and at how financial arrangements for universities will progress over the next few years and measure that against demand, we see that because of our reputation and because we have the kudos of being a principal centre of superb higher education in the world, the demand for people across the world will remain high, whether for chemical engineering, languages, dentistry or humanities.

Lilian Greenwood: Although many universities, including my universities in Nottingham, say that this will have a detrimental impact on their ability to recruit students and therefore on economic activity in the UK, the hon. Gentleman suggests that we must wait until that damage is done before the Government will act. That seems immensely short-sighted. Everyone is warning that this will cause damage and he wants to wait until the damage is done.

Mr Jackson: The evidence given by Migrationwatch UK for example—*[Interruption.]* Migrationwatch UK has put forward an evidence-based, robust and demonstrable case. It may not be to the taste of many Opposition Members, who are reminded on too many occasions of their abysmal failings in the management of immigration on behalf of the citizens of this country. Nevertheless the case is not usually challenged in terms of its robustness, and I am sure that the Chair of the Home Affairs Committee would concur.

Keith Vaz: It may come as a surprise to the hon. Gentleman that when Sir Andrew Green gave evidence to the Select Committee, he did not regard students as migrants. His main concern was those who came illegally and bogus colleges, not genuine students coming to the country to support University Centre Peterborough.

Mr Jackson: The right hon. Gentleman has reiterated the points I am making. I will not repeat verbatim what Sir Andrew said in his evidence to the Committee in February—I think—but he said that he was mostly concerned about pre-degree education, language schools and "bogus" colleges and that he did not see the increase in student numbers per se as a "problem" for immigration. I do not dissent from that view; he and are at one. I resist the premise on which the hon. Member for Nottingham South (Lilian Greenwood) proceeds, but I must be very careful because my brother is a professor at Nottingham university, so I am aware that it is a superb institution—he would expect me to say that, but nevertheless it is true.

The issue is not about reducing the number of students per se, but about closing loopholes and ensuring that we retain our integrity and reputation. If we look at pre-degree level courses, we must in fairness also look at the evidence over past years and draw a link between the number of students who have come into the country, over the past 15 years for example, and long-term economic migration and settlement. It would be foolish and short-sighted not to accept that many students have been economic migrants. We are looking perhaps at a reduction in student numbers of only about 10% from the 2009 figure of 270,000. No one has yet given detailed projections of how many of them would be in each sector.

On the face of it, yes, institutions will lose £105 million due to students not coming, but we must make the link and look at the opportunity cost—the displacement of indigenous people, who are British citizens, who are not in work and are on benefits as a result of jobs being taken by people who began as students but entered the work force. It is foolish to disregard that.

Even the Scottish Trades Union Congress and others have conceded that if we do not get a grip on that displacement and the corollary—the cost imposed on taxpayers—it will drive down wages and conditions, particularly for those in low-wage and low-skilled jobs in my constituency and others. That cannot be good for community cohesion and the economic well-being of the country.

Mr Bailey: In my constituency, regrettably, I do not have a university, but, equally regrettably, I do have a substantial British National party presence. Many of issues that the hon. Gentleman has brought up—the

[Mr Bailey]

widening of the debate—are relevant to constituencies such as mine. I want to make it quite clear that representatives of local manufacturers have taken me round foundries and said to me, "The one thing that we do not want is a block on immigration, because we cannot get people from our own indigenous population to work in the foundries". It is only by recruiting from outside that we have managed to sustain the jobs of the indigenous people who work in the foundries. Does the hon. Gentleman accept it from me that the issue is far more complex than he has articulated?

Mr Jackson: I am glad that the hon. Gentleman in the great socialist spirit articulates the point of view of the forces of capital, because they will almost always seek to drive down wages.

Mr Bailey: The hon. Gentleman is putting words into my mouth. I am articulating the role that immigrant labour can play in supplementing British businesses employing British white indigenous workers.

Mr Jackson: My hon. Friend the Member for Reading East (Mr Wilson), who is a very wise man, has reminded me of the hon. Gentleman's party's trouble over the concept of, "British jobs for British workers." There was a pretty sharp U-turn over that. I am not mentioning creed, religion or colour, but economic and social trends in demography. I respect the hon. Gentleman in this instance because he is speaking for his constituents, as he is elected to do, and is a long-standing Member of the House, but I am also speaking for my constituents and from the position of having had between 16,000 and 20,000 migrants—admittedly from the EU—move to my constituency since 2004, because it is a centre for agriculture, horticulture and food processing and manufacturing. There has been displacement and pressure on maternity and other health services, housing, and in terms of crime, policing. Thirty-one per cent of children in my primary schools speak English as an additional language.

I concur with the right hon. Member for Leicester East (Keith Vaz): I accept that EU migration is sui generis, but it is because we can debate immigration in a reasonable and considered way that we do not give in to the BNP and allow it to spread its spite and division and destroy social cohesion. Unless we have a grown-up, truthful and honest debate, we will be in a difficult position.

Others wish to speak, so I will conclude as soon as possible. The number of overstayers has been assessed at about 32,000, as a rough guess, in recent figures by the Home Office. The focus is on overstayers. The UN definition of "migrant" has been mentioned. The hon. Member for Sheffield Central handled that issue sensibly. There is a debate to be had about the United Nations definition and whether students are economic migrants or merely temporary numbers in the system. That is fair enough. We hope to resolve that issue through e-Borders and discussions with European Union Governments, although I bring him back to the United Nations rather than the United States adopting that particular definition.

I respect the views of hon. Members and of the higher education sector, which is undoubtedly a vested interest and will seek to defend its business model as much as anyone else. We have seen other public services do so this week. Those in the higher education sector are articulate and can influence parliamentarians and others, for instance in the media, but they should remember that they have a responsibility to people who are not so articulate. They have a responsibility to develop scholarships and outreach programmes for people in this country, they have a wider remit to upskill people who might never have had an opportunity to go to university and they have a responsibility to drive social mobility. That is the challenge for universities.

I believe that the proposals are absolutely correct. They have taken on board the concerns of higher education institutions and others, and I think that they will deal with the issue of bogus students and colleges. I commend them to the House with the proviso that feedback will continue. In all sincerity, I do not believe that they will do anything but enhance the reputation and long-term viability of higher education institutions in this country.

3.32 pm

Keith Vaz (Leicester East) (Lab): It is a pleasure to follow the hon. Member for Peterborough (Mr Jackson). He is right to widen the debate from student visas, because the Government's intention in trying to limit the number of students coming into this country is based on their view that over the next four years—by the end of this Parliament—they can reduce net migration from hundreds of thousands to tens of thousands.

However, I am sure that other Members, like me, are surprised that the Government have already revised their statistics and calculations. As the Select Committee on Home Affairs concluded, it will be difficult for the Government to meet that target. When the Home Secretary made her statement to the House, she said that she hoped to reduce student numbers by 80,000 each year until 2015, but on 13 June, the Home Office revised its figures and told us that curbing student visas will reduce total numbers by only 46,000 annually. Some could say that that is because the Government have listened and recognised the importance of the student route, but I think it relates to a fundamental point made by the hon. Member for Peterborough and—dare I say it?—the chairman of Migrationwatch UK: we cannot discuss immigration openly, honestly and transparently unless we know what the figures are, and we do not know what the figures are, because we still do not count people in and out of this country.

Part of the blame must lie with the previous Government. They signed the e-Borders contract and agreed to pay the company concerned £188 million, and, in my view, they failed to monitor how that private sector contract operated. This Government, of course, have decided to end the contract with Raytheon. Sadly, it took them more than nine months to appoint a successor, and they have now agreed to spend another £30 million or so, asking Serco and IBM to provide the same service as was provided in the past.

The reason why I raise the issue, and why the Select Committee keeps raising it in every report that we produce, is that we are all for having a good debate on immigration—it is important and healthy to do so here rather than on the streets of West Bromwich, Leicester or anywhere else—but if we are to have that debate, let us have some figures on which we can all agree. At the moment, we still do not have those figures.

On the completion of the e-Borders programme and the Minister for Immigration's focus on it, he was keen to ensure when he was in opposition that the previous Government counted figures, although I am glad that the Government have abandoned their original plans for asylum seekers to be dealt with on that famous offshore island before coming into this country. It is important that we ensure that the e-Borders programme works, for the reasons outlined by the hon. Member for Peterborough, which I think we all believe are extremely important in any discussion of this kind.

Everyone here today who has spoken on behalf of the great university towns and cities of this country has spoken for genuine colleges and institutions. Of course there are some in our constituencies that are not genuine, but by and large, what has driven my right hon. Friend the Member for Oxford East (Mr Smith) and my hon. Friend the Member for Manchester Central (Tony Lloyd) to come here—as well as the hon. Member representing University Centre Peterborough, and me with my two great universities, De Montfort and Leicester—is our belief that the Government's proposals will affect those genuine institutions. We should be cautious about damaging them and the reputation of our colleges.

The figures are coming from India already. The number of applications to this country has decreased by 40%, even before the proposals have been implemented. If that damage starts—it started in America when the Americans changed their system, and in Australia when the Australians decided to do the same—it is difficult to recover once people believe that they cannot come to study in a country. That is why we must be tough on bogus colleges.

Mark Lazarowicz: My right hon. Friend is right to say that most of us here have come because of deep concerns about universities and colleges in our constituencies, but we also have concerns about the many reputable, high-quality English language schools that are being affected even more seriously by the changes, in some ways. The Government must change their proposals if those schools are to survive.

Keith Vaz: My hon. Friend is absolutely right. The Home Affairs Committee held a big meeting in Brighton with local MPs from various parties, including the Green party, the Conservative party and the Liberal Democrats, and they were all against the Government's proposals due to the damage that they will cause to English language colleges. In many cases, such colleges are the pathway to full-time degrees. It is extremely important that we focus on them as well.

However, we must be absolutely tough on bogus colleges. We have suggested two ways for that to happen. Unannounced inspections by the UK Border Agency are necessary. In the past, the UK Border Agency rang up colleges and told them that inspectors were coming. By the time they arrived, all of a sudden—like "Mission: Impossible", for those who are old enough to remember it—a whole lot of students and teachers had been brought in for the inspectors to see. How crazy is it to tell a bogus college that it is about to be inspected?

I had a call from a Conservative councillor in a London borough who preferred to ring up the Home Affairs Committee rather than the UK Border Agency to tell us that a new bogus college was operating in her ward. On Monday, I sent my research assistant to the college. She rang up and said that she was a student and wished to enrol on the course. They said, "Right, come along at 10 o'clock and we'll give you a brochure." She arrived, and there was absolutely nobody in the college. She stood outside and rang them again. They said that they were not open yet, but would be in September, and that they had applied to the Home Office. I have a letter for the Minister. I hope that he will check whether that is in fact the case, so that I can tell the hard-working local councillor whether that college is bogus.

We need proper inspections. Nobody in the Chamber has a tolerance of bogus colleges. We want to ensure that they are closed down, because they are bad for the students who go there. The second point on bogus colleges and abuse relates to the points-based system that the previous Government introduced. The system gives no discretion to entry clearance officers and immigration officers at Heathrow airport. It is left to whistleblowers to go to the *Daily Mail* and say that we let in all these people who had student visas who do not actually speak any English, but are doing computer courses—I think that was the last claim that we saw in one of the newspapers. We need to give discretion to our professionals. The points-based system is absolute and clear, but that extra discretion is necessary to enable the entry clearance officers to say yes and no, even if people qualify under the points-based system, and to give immigration officers the authority to make those decisions.

My final point is one that I raised with my hon. Friend the Member for Sheffield Central (Paul Blomfield), and I join other hon. Members in congratulating him on securing the debate. I know that he has been trying to do so for many months. He was offered a shorter slot. He said that many people were interested in the issue, hung on and we can see the number of hon. Members who are here today. I congratulate him on hanging on long enough to secure a good three-hour debate. I will not speak for long because other hon. Members wish to speak.

The Home Affairs Committee report concluded that students were not migrants, and should not be part of the figures. They are not migrants because they come to study, not to settle. Of course, the Minister will come out with his figures and say that he finds that some settle in the end, because they keep applying to change their courses. Well, I for one have no problem with non-switching. I am not a great fan of people who come on the basis of one set of visas and want to switch to another.

I do not know whether it happened during the term of office of my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), but the previous Labour Government stopped the switching from visitors to spouses. I therefore have to tell my constituents that, if people come here on holiday and fall in love with a British citizen, I am afraid that they have to go back and apply again. The previous Labour Government provided for that. I have no major problem with switching, but we need to be very clear. It is more of a systemic problem than one of intention. If there is a problem of intention, we can deal with it by preventing switching.

[Keith Vaz]

We should not, however, damage our university and English language sector by accusing all students of wanting to come here, study and stay. That is why what my hon. Friend the Member for Sheffield Central said about post-work study is so important. When they choose to come here, they also choose to work for that year, and that is essential to their studies. If they do not come here, they will go to the United States of America, Australia or France.

The Minister of State, Foreign and Commonwealth Office, the hon. Member for Taunton Deane (Mr Browne), gave evidence to us, as I think he did to the Committee chaired by my hon. Friend the Member for West Bromwich West (Mr Bailey). He talked about Britain being the centre of world for education. He told us about Nottingham university and how he personally, because of his interest in Malaysia, had gone to Malaysia and got thousands of Malaysian students to study in Nottingham. Indeed, there is a campus just for Malaysian students. He was very proud of that. We cannot have one Minister saying that we are open to the world and then have other Ministers trying to prevent that from happening.

I hope that the Minister will not say that the UN tells him that the students are migrants, and so they have to be migrants. If they are not migrants and they wish just to study and then leave, they should not be counted as migrants. If they are working illegally or there is any abuse, I say to the Minister for Immigration—I know that he will take this seriously, and has taken this seriously—out they go. There is no tolerance of people who abuse the system. I have just come back from a visit to the Greek-Turkish border, where I saw people who are trying to come into this country, crossing over at an enormous rate. I, for one, am very happy to work with the Government and others to try to stop illegal immigration.

When we are dealing with people who genuinely want to come to study, the Government should stop, consider and reflect, because of the potential damage to our reputation as the greatest country in the world for education. That reputation was the reason why my family chose to come here when I was nine years of age. They chose to come here because of this country's reputation for valuing education. Let us not damage our reputation. Let us make sure that our rules and policies are clear and transparent, but fair.

3.45 pm

Richard Fuller (Bedford) (Con): It is a great pleasure to serve under your chairmanship, Mr Benton, and to speak in the debate secured by the hon. Member for Sheffield Central (Paul Blomfield). He made an articulate speech that raised a number of points, which I am sure the Minister will consider. I think that he will find support across the House on some points. Other points might be a little more contentious, but we look forward to hearing his comments.

Mr Benton, I must ask for your forgiveness and that of other hon. Members, as I will not be able to stay for the closing remarks from the Minister. I have a good reason, which allows me to highlight what is perhaps a contrarian point. I am meeting representatives from the Taiwanese embassy equivalent to talk about a visit by Taiwanese students to the university of Bedfordshire in my constituency of Bedford, which includes Kempston. Some Opposition Members talked about the importance of having people come from mainland China. We all have to make our choice of Chinas. I tend to prefer those that have elections and do not lock up Nobel prize winners. The issue with Taiwan that is important to mention is that we have simplified immigration rules for Taiwanese students to come to study here. It is precisely because the controls and understandings that Taiwan has in sending students overseas are so well administered that we have confidence in the country that is sending, as well as the country—the UK—that is receiving. It will be a great pleasure to welcome them.

We have a responsibility to weigh up two major factors, which have come through the different contributions: restoring people's confidence in our immigration system and controls; and ensuring that we are optimising and maximising the opportunity to enhance the economic well-being of our universities, and the role that our open educational system can play to spread freedom, democracy, belief in the rule of law, understanding of free markets, and the belief that every citizen's rights have to be recognised in all parts of the world. That is an important and critical role that our universities play. As I am leaving shortly, I will address those two areas quickly.

My hon. Friend the Member for Peterborough (Mr Jackson) said that immigration control is a significant responsibility for the Government. If we do not believe that, then I do not think that any of us can have knocked on doors at the general election. It was raised as a concern by many residents. There was exasperation at how the system had got out of control under the previous Government. Both the previous Government and this Government sought to bring in controls. We are still dealing with an issue where people's confidence has not yet been restored. I urge the Minister, in response to all the hon. Members he will hear from today, not to lose sight of the fact that he has a significant responsibility to ensure that people's confidence in our immigration system is restored. He and his colleagues in the Home Office have made a very good start, but he has to see it through to the end. That sometimes requires very tough decisions. I urge him strongly to continue all the way through this period of office, and I congratulate him on the steps that he has taken.

Mark Lazarowicz: Does the hon. Gentleman accept that confidence in the immigration system will be even more jeopardised if the Government make announcements that claim that they will sort out the problem, but then find that the immigration figures are still increasing and that, for example, the measures for overseas students will do nothing whatever about EU students? Will that confusion lead to even less confidence in the immigration system?

Richard Fuller: The hon. Gentleman urges some very good caution. The worst thing to do is to ignore the immigration issue, pretend it is not there and destroy people's confidence in the system, as his Government did. However, as the right hon. Member for Leicester East (Keith Vaz) said, there is an issue about trying to ensure that we have the numbers, so that we are dealing with the facts. Facts help people to gain confidence. If people do not have the facts, it is harder to gain their

confidence. However, the measures this Government are taking on that have been a significant step forward on behalf of the country.

The United Kingdom—what a wonderful country we live in, and how proud we can be of our values and our society. We have these great debates in this fantastic mother of Parliaments. We are a beacon for educated people around the world. We should be really, really proud of what is now called the soft power that countries such as ours have. The fact we have a vibrant series of educational institutions is a critical part of ensuring that the United Kingdom continues, in the words of a former Foreign Secretary, to punch above its weight. There is no doubt that hon. Members from all parties think that that is an important thing for us to accomplish.

However, we must recognise that our higher education institutions are going through some substantial changes and challenges. I would like to praise Professor Marilyn Leask, who is the dean of the Bedford campus of the university of Bedfordshire. There is a Luton campus, but I shall not speak for that one. I will speak for the campus in Bedford. Professor Leask is considering with energy and vitality how to deal with the challenges faced by our higher education system in terms of the changes to student fees. She is based in a teaching training institution for physical education and is considering new ways to accommodate those changes. We must recognise that our universities are going through substantial changes. This issue is one part of a much bigger picture that they are trying to piece together, as they put together a more sustainable long-term funding basis for their future operations. It is probably not the most important part of our universities' business model, but it is an important issue.

I ask the Minister—again, apologies that I will not be here to listen to his response, but I shall read it with great interest—to explain how the relationship between the Home Office and the Department for Business, Innovation and Skills is operating, so that we can get a sense of whether we have an integrated strategy. Million+ is asking for an integrated higher education strategy, which is a very good thing. If we have all these advantages from being this wonderful country and if we want to educate the world, we must have a coherent strategy to achieve that. That does not necessarily mean that some of the issues raised today have to be acceded to, because I do not think that all of them are right, but it does give a context for where we are heading. As these institutions and universities are building their new business models, we need to give them a context in which they can plan for the long term more coherently.

Lilian Greenwood: The hon. Gentleman makes an incredibly important point about this being a time of great change for universities and that they are having to look at their future planning. Does that not make it all the more important for the Government to proceed on the matter with caution and deal with the timing carefully? Universities need to be able to plan and adjust, rather than being rushed into things. That is one of the concerns that universities have raised.

Richard Fuller: The hon. Lady makes a good point about the transitional arrangements this year. She has heard an answer from the Minister on that and I am sure that he will address the matter again when dealing with some of the follow-up concerns raised by the hon. Member for Sheffield Central. That is a particular issue on which I am looking forward to hearing the Minister's comments.

More generally, on Opposition Members' calls for caution, when we are looking for change, caution is not always the best way to proceed. It is important to deal with the matter clearly and cleanly, so that the people who are responsible for building business models do not have to anticipate future changes. Such an approach is helpful to them when setting their strategy. Being cautious is not always the best approach. In this instance, given my and other hon. Members' concerns about the importance of getting peoples' confidence back in immigration, obtaining clarity quickly will be of benefit to the long-term strategy of our higher education institutions and our universities. They need to have an integrated strategy, so that they know the Government's direction of travel. They need an understanding between the Home Office and BIS to make that happen.

My message to the Minister is, first, that he has a responsibility to fix immigration. That is what the British people asked for at the last general election and that is what they are looking to the Home Secretary and the Minister to accomplish. I urge him to consider everything he does through that lens, rather than through the particular lens of each issue. Secondly, he has heard from hon. Members on the issue of whether students are migrants or not. It may be worth considering what happens in the United States and the United Nations. Some of us prefer the approach of the United States to that of the United Nations. Will the Minister look at that as part of setting an overall strategy, as it would be interesting and worth while to do so?

On the transitional arrangements that my hon. Friend the Member for South West Bedfordshire (Andrew Selous) and others mentioned, again, the Minister has given an answer and I look forward to him expanding on that in his closing comments. I urge the Government to have an integrated, international higher education policy. We have a fantastic country. We have to bring people here, so that we can spread a message of freedom and spread understanding of the English language. We must give people Shakespeare and give people an understanding of the Magna Carta. If we do those things, we will have a country that can not only interact, but sell to the rest of the world.

3.56 pm

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): For the avoidance of doubt, I had better declare an interest. From time to time, I receive remuneration from the higher education sector for work I do with it.

I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on securing the debate. After being a council leader for Sheffield and an MP for the city for 24 years, I thank him for drawing my attention to the international college's work. I was unaware of the extent of that work—every day, I am on a learning curve.

There seem to be two aspects to what we are debating. The first is the macro. That relates to the overall issue of migration and its impact on our country and the politics in which we are all engaged. The second is the unauthorised, the unauthenticated and the unacceptable. That relates

[Mr David Blunkett]

to those colleges and institutions that either do not exist or, if they do, do not provide what they say on the can they offer. In addition, such institutions do not offer courses of sufficient quality to students of sufficient quality.

Those two aspects are getting slightly mixed up, although that is not because the first matter is not important. To coin a phrase from the former Prime Minister, Tony Blair, I certainly have scars on my back from the near four years I was Home Secretary in terms of the two major pieces of legislation that we introduced and the changes we made. That included the two-thirds reduction in asylum, the security and immigration provisions on French soil, the measures regarding liaison officers at airports across the world and a substantial tightening up of how we operated visas. Such policies provided a foundation on which my Government subsequently built and this Government have been building. The issue is incremental. If we take a step in one direction, we find that the plastic bottle has bulged out in another. I suggest to the Minister, who is deeply committed to this matter, that immigration will affect this Government, as it did previous ones.

As the issue has been mentioned, I would like to say how much I agree with my right hon. Friend the Member for Leicester East (Keith Vaz) about embarkation and e-Borders. I was responsible for kick-starting e-Borders, but I claim no credit or discredit whatsoever for the contract that was let. In fact, when the 20-year rule comes in, there will be letters on file from me as a Back Bencher advising against what was done. The speed of operation to get this right is critical because, if we do not know who is leaving, we really cannot make a judgment about whether the system is working. That applies directly to students who have fulfilled their courses and/or their term afterwards for permission to work. If the system is working properly, much of what we are debating would be seen in that broader context, and we would not be so obsessed with artificial targets for future migrants. We would be able to deal with the issue of what a migrant actually is and provide a proper definition in a way that removes the harder edge of politics.

It is inevitable that there will be politics involved in discussions on immigration. We might then debate issues and not end up with policies that damage the country, rather than enhance its well-being. I do not intend to repeat what has already been expressed, because time is pushing on and extremely good points have been made. Even those points that I have doubts about have been enlightening. I would, however, like to reinforce some of the key points that have emerged.

First, the economic value to this country is not just the money that comes into the universities or the local community, but the way in which those who have benefited from both the study in, and the experience of, our country add to our potential economic value in years to come, as they become the advocates for Britain and part of global institutions and enterprises, whose connection with and alumni from our institutions make an enormous difference to Britain in this global economy and international trading world.

Secondly, to take up the point made by the hon. Member for Peterborough (Mr Jackson), our universities are able to offer that social responsibility much better if they have a higher level of agreed income. The income that is coming in from overseas, free as it is from issues of debt repayment and the difficulties that we have debated over recent months, adds to a university's ability to contribute to the wider community and the social well-being of our country. The issue is much broader than whether the university itself has an enhanced income, important as that is.

Thirdly, there is an issue about whether we really want numbers of legitimate, verified students, with the right qualifications in the right quality of institution, in this country. If we listen carefully to the debate, we will hear that everyone pays lip service to the importance of legitimate students coming here, but we then hear a different nuance, namely, "But they are foreigners and that is dangerous, because our electorate do not really like foreigners." We need to get off that and on to where migration policy has not worked properly—even the measures for which I was responsible did not always work—and the importance of enforcement. We need proper inspection and enforcement, including clamping down on those colleges that do not really exist or are just an excuse for people to get into the country. Moreover, if our legitimate university and higher education institutions, both in the public and the embryo private sector, are not checking whether students are taking up their courses, enforcement is the crucial element. That is the end at which we need to ensure that we get this right, rather than trying to reduce, per se, the number of legitimate students coming into the country. That is critical.

In 2000, I led a delegation, which included the Higher Education Funding Council and this country's leading universities, to China. The Chinese welcomed us and were very pleased to have a two-way arrangement with us that includes students coming on a temporary basis to learn our language and about our systems. That was a good thing to do, and anything that damages it would be a major mistake.

That brings me to my central point. It is the message we send that is absolutely critical, and the message that has been received outside this country is the wrong one. It is not that we want to avoid the illegitimate, the unacceptable and the fraudulent, either in terms of the provision in our country or of those coming in for reasons other than to study properly. The message that is being received outside this country, as has already been said, is, "You will not be welcome." Will the Minister do everything possible, along with our embassies and high commissions, to change the message, so that it is received properly and understood by students and industry? Sponsored students are very important, and major enterprises across the world need to know that their potential employees, or those who are sponsored by them, are welcome in this country.

I want to touch briefly on the complications that we face. Many of them could be overcome if there was greater flexibility in the transition period—there is no question about that. It is no good for the Minister, who intervened on my hon. Friend the Member for Sheffield Central, to say that, if firm offers were made before 21 April, certificates would be honoured. As was pointed out almost immediately, many of those offers are conditional and do not therefore apply. In some sectors, including professional bodies and professional courses, the number of certificates has been capped arbitrarily, sometimes at levels including those that have been taken on from institutions that no longer exist or have been

deregulated. They have, therefore, been punished for picking up students who were badly treated by those that did not come up to standard.

I would like us to address why we do not use highly trusted sponsor status and the oversight mechanisms of professional and private sector operators, which will now be operated by the Quality Assurance Agency for Higher Education—I congratulate it on the speed with which it has moved—rather than a complicated system that does not rely on enforcement and inspection, but on the front end rather than the back end. To complicate matters, it is crucial—this has been said by the hon. Member for Bedford (Richard Fuller)—that the Department for Business, Innovation and Skills gets its act together with the Home Office, so that they speak the same language and that those with expertise share it. For instance, on professional qualifications for accountancy, why suddenly drop in, as the statement and assessment did on Monday, that there has to be approval at gold or platinum level by the Association of Chartered Certified Accountants, when it has preferred providers of its own? These professional qualifications are a bit like the guild system in mediaeval England.

I counsel the Minister to be very careful not to get involved in what is corporatism. For somebody who is a declared libertarian, that is a dangerous position to be in. We should not put into the hands of those who have a specific interest in particular providers the ability to exclude other providers. That is a dangerous game in terms of the kind of oversight that we would expect.

In brief, I do not think that any Member present does not think that it is a good idea to progress on the road of tightening up in relation to those who have been fraudulently operating the system or those who come here and are not legitimate students. Let us all agree on that. We might even agree that those of us who tried in the past did not come up to scratch in achieving the goals that we set ourselves. A little humility from all of us on that might not be amiss. It is important that the lessons of history are learnt: sometimes, speed leads to the obverse of the objective that is sought, and a little give and take—sensibly, openly and without criticism when people are flexible, so that we give the Minister a bit of leeway—might achieve the overall goal that he and, I believe, BIS seek, namely a system that works and welcomes people into this country, because it is good for our economy, good for our social life and good for the future of Britain.

4.8 pm

Mr Rob Wilson (Reading East) (Con): It is a pleasure to serve under your chairmanship, Mr Benton, and I congratulate the hon. Member for Sheffield Central (Paul Blomfield) on his detailed opening account, which set out the issues that we are discussing. I intend to be as brief as possible, because the House has now adjourned and I am sure that Members, particularly those Opposition Members present in the Chamber, have long journeys back to their constituencies.

I support the need for strict controls to exclude bogus students, and welcome the Government's proposals targeted at the least trustworthy institutions. As has been said, not least by my hon. Friend the Member for Peterborough (Mr Jackson), the previous Government did nowhere near enough to get control of the issue of bogus students and colleges. Many people in the country will welcome the change of emphasis by this Government—through the leadership, indeed, of the Minister.

Sixteen tier 4 sponsor licence-holding institutions operate in my constituency of Reading East. During the consultation period of December 2010 to January 2011, my office surveyed all those institutions, including face-to-face interviews with representatives of four of them, the university of Reading and three private colleges. Sharing some of those findings with colleagues might be helpful, although I will try not to repeat anything said in the debate. I promised the institutions involved that I would share some of their main concerns.

Both the university and the independent sector in my constituency stressed the crucial importance of achieving and retaining highly trusted status. The independent sector in particular felt that its future literally depended on such status. While the private colleges accepted the need to tackle bogus students, they expressed great concern about the UK Border Agency's inspection process. The perceived problems largely emanated from the lack of formal criteria from the UKBA of what was necessary to achieve and retain that trusted or highly trusted status. Additionally, some expressed concern about the understanding, even the ignorance, of some inspectors about how the independent sector operated. For example, in the experience of one college, the UKBA inspector expected a desk and a seat for every single student enrolled, despite a student normally being expected to be in attendance for no more than 15 hours per week.

The most frequent call I heard from colleges was for a level playing field. The universities are granted highly trusted status as a default position but, in the view of the colleges, if the same rigorous expectations as are imposed on the private college sector were imposed on the universities, many of them would lose the cherished highly trusted status. For instance, to obtain such status, a private college is expected to achieve a drop-out rate of no more than 2% to 3%, but universities can expect to achieve a drop-out rate for non-European economic area students of approximately 6% to 10%. Therefore, the Government target of 3% was considered by the private college sector to be wholly unrealistic.

Transparency is essential for a fair and effective inspection regime, but a real concern is that colleges get no debriefing following inspection, as schools do with Ofsted. Inspection reports may be obtained through freedom of information requests, but that procedure is not really quick enough. Targeting efforts on the least trustworthy colleges in the unregulated private sector is right, but we should also remember that only a tiny minority of colleges are bogus. I hope that the new proposals will not put private colleges at a disadvantage by failing to set out clear criteria for highly trusted sponsors or with the somewhat arbitrary and opaque inspection and even evaluation process. Tackling the transparency issues will help good colleges get on with the job of educating students and will increase public confidence in the student visa regime.

In conclusion, does the Minister share my concerns? If so, what can he do to ensure the transparency in the sector that we all wish to see?

4.14 pm

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): It is a pleasure to serve under your chairmanship today, Mr Benton. I am glad to have the opportunity to

[Mark Lazarowicz]

speak in this debate on student visas, which is an issue of importance not only to the ancient university of Edinburgh but to the other three universities in my city, Heriot-Watt, Napier and Queen Margaret. There are also implications for many of the city's colleges, in particular Telford college with its new headquarters, which has a long history of welcoming international students and, indeed, only recently received an award as the best college in the UK for international student support. For the record, I congratulate the college on that award. Student visas are also of concern to many of the high-quality and reputable language schools in my constituency and elsewhere in Edinburgh.

As other Opposition Members have said, no one disputes that it is important to crack down on bogus students and colleges and on low-quality colleges. In common with many other Members, I have had people at my surgery who have been the victims of applying to colleges that then did not come up to standard. No one is under any illusion that we must tackle that issue, or the wider one of immigration, but they must be discussed in the right place and at the right time. We must not, however, allow the pursuits of a Government wanting to fulfil an arguably unfulfillable promise on immigration to have a detrimental effect on bona fide students and bona fide universities and colleges, which make a vital contribution to the economy of the UK and of many of our communities. I take issue with the hon. Member for Peterborough (Mr Jackson) who talked about the "vested interest" being defended by Members; we are not only talking about the professors, principals and numerous staff of universities but about institutions that affect the wider economy. Universities and colleges are important in themselves and for the wider economic benefits in our communities.

Many Members, in all parts of the Chamber, made points with which I associate myself, but I will concentrate on a number of specific issues, raised directly with me by some of the universities and colleges in Edinburgh. First, as mentioned by my hon. Friend the Member for Sheffield Central (Paul Blomfield), who commenced the debate, in many Scottish universities it is still the norm for the undergraduate degree to be over four years and not three. Clearly, the five-year limit will have consequences for those who wish to study at postgraduate level as part of the wider education offer in England, but it will have much more serious consequences for someone who might have only one year after the completion of the undergraduate course in which to consider taking a postgraduate course.

The implications are wider still. Professor Steve Chapman, the principal of Heriot-Watt university, has pointed out to me that a number of degrees include an integrated year abroad or industrial placement as part of the undergraduate course, so people will use up their five years even without going to postgraduate level. The five-year limit also means that there is absolutely no flexibility at the end of the course, for resits possibly or for delays caused by other legitimate extensions. I hope that the Government will reconsider and change the proposal to take account of the four-year undergraduate course that is still standard in much of Scotland.

In addition, Professor Chapman said that five-year integrated undergraduate and masters programmes are common, again allowing for no flexibility at the end of the five years. He points out that the school of engineering at Edinburgh university has 19 separate master of engineering, five-year, integrated undergraduate and masters degree programmes, with other courses available elsewhere in Scotland. I hope that the Minister will consider the consequences of the five-year limit for the Scottish education system, in which a four-year undergraduate degree is the norm.

My second point was made by a number of colleagues: the shortness of the notice given to universities about the changes. As I indicated in my earlier intervention, I received a copy of a letter that the principal of Edinburgh university, Professor Sir Tim O'Shea, sent to the Minister at the beginning of May:

> "I write to express alarm at the changes to English language requirements as part of the Tier 4 student migration system. The changes will impact on a third of our expected international intake this year and present a serious impediment to the successful recruitment of high quality international students."

He goes on to say:

> "The changes to English language requirements for Highly Trusted Sponsors have been introduced without any dialogue, part way through our admissions cycle and with no transition phase to enable effective planning. The changes will almost certainly result in legal challenges to our admissions process given that it will necessitate amendments to offers of admission already made to over 800 international applicants seeking to enter the University of Edinburgh this year."

He then makes an important point:

> "The benefits of having 'Highly Trusted Sponsor' status remain unclear if sponsors who achieve the highest levels of compliance are to be obstructed from admitting the highest calibre of international students."

Professor O'Shea urges the Government to postpone changing the English language requirement in this admissions cycle, and asks the UK Border Agency to consult on changes for the next cycle. I endorse his comments, and I hope that the Minister will take on board the concerns expressed by Professor O'Shea and many other university principals and organisations with an interest in this debate.

There may be some misunderstandings about the implications. As my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) said, there are particular issues for those who have received conditional offers or have not completed the process of accepting a firm offer by 21 April. The fact that clarification is needed is a reason for, at least, postponing the changes to the next cycle so that universities can fully take on board the changes that the Government are introducing.

I could make many other points about issues that my hon. Friends have raised, including the effect on language schools, which I mentioned briefly, and restrictions on dependants, which will have an effect on some students. Concern about the post-study period was raised at length by colleagues. I will not raise those matters again today.

In statements elsewhere, the Government have recognised the need for the UK to maintain its position with our global competitors in many respects. The ability of high-quality, qualified students to come to the UK is one way of ensuring that we are globally competitive. As my right hon. Friends the Members for Leicester East (Keith Vaz) and for Sheffield, Brightside and Hillsborough said, the consequences for our reputation and standing abroad will be long standing. If the message

gets out that Britain is not open for business and is not welcoming to international students, it will have an effect not only on students who do not come here but go elsewhere, but on future business contacts if students do not have a positive experience in the UK, on future cultural contacts, and on general good will towards the UK. There will be short-term and long-term economic consequences.

As the hon. Member for Bedford (Richard Fuller) made clear, there are many other reasons for welcoming international students to this country. It is not a question just of a narrow economic interest; there is the wider interest of Britain's standing as a whole. However, the economic interest is important. In Scotland alone, the income raised from international student fees in 2009-10 was worth some £260 million. Of every £100 earned by Scottish universities from teaching grants and contracts, international students accounted for £16. Economic interest is not the only reason why the changes should be reconsidered, but it is important, and I hope that the Minister recognises that. Those of us who raise the concerns of universities in our constituencies are raising immediate concerns, but also concerns about our ability to compete on the world stage. I urge the Government to reconsider the way in which these proposals are being introduced, particularly with reference to the implications for those who want to come to Scotland to take a four-year degree course and thereafter to consider postgraduate study as part of the overall package that attracts them to our country.

Several hon. Members *rose—*

Mr Joe Benton (in the Chair): Order. Five more hon. Members have indicated that they want to speak, and we have just over half an hour left. I will try to get everyone in, but I ask hon. Members to bear that in mind.

4.24 pm

Jonathan Lord (Woking) (Con): It is a pleasure to serve under your chairmanship, Mr Benton. Like other hon. Members, I congratulate the hon. Member for Sheffield Central (Paul Blomfield) on securing the debate, and on the excellent and measured speech with which he introduced it. I pay tribute to my hon. Friends who have spoken today, particularly my hon. Friend the Member for Peterborough (Mr Jackson) who explained the background and the wider issues at stake. We have had some excellent contributions from both sides of the Chamber.

I want to follow up some of the points made by my hon. Friend the Member for Reading East (Mr Wilson). In Woking, I have several private colleges with a good reputation—I do not have a publicly funded university—which make a real contribution to the life of the constituency and to their students. The Tante Marie cookery school is the largest independent cordon bleu cookery school in the UK. It was founded in 1954 by Iris Syrett, the distinguished cookery writer, and is now part-owned by Gordon Ramsay. It is an internationally renowned establishment and wants to be competitive with the world's best cookery schools.

Like my hon. Friend the Member for Reading East, I have received feedback from legitimate private sector colleges, which believe that things are stacked against them. The rules are constantly changing, and that costs each college a lot of time and money. As my hon. Friend said, they must meet an extremely high bar to gain highly trusted sponsor status, and that includes proving that less than 2% of their overseas students drop out in the first third of the course. Most publicly funded colleges or universities would not meet that test, but they are not asked to fulfil any such criteria.

The bar is high, but my understanding and that of colleges is that, if they gain highly trusted sponsor status, their overseas students will not now be allowed to work while they are at the college, although a student studying almost exactly the same course at a publicly funded university or college would be allowed to work. That will make it very difficult for private colleges to compete with publicly funded universities, both internationally and in the UK, and to attract foreign students. A student's ability to work during their studies has no effect on net migration, but removal of the right to work will have an impact on the number of genuine students who are interested in coming to the UK to study. If they cannot work while they are here, the UK will be a much less attractive and much more unaffordable place for them to come to study, especially as most other countries will allow them to work as well as study.

The Government's intention is to reduce net migration and, as we have heard from my hon. Friends today, that is a laudable objective, which most people want their MPs to support and get a grip on. The best way to do that in the context of education, as we have heard from throughout the Chamber, is to crack down on the bogus colleges and to ensure that students leave when their course has finished. There is a clear difference between a student coming to the UK for the duration of a course, and someone migrating to the UK to live here. The former is undoubtedly beneficial to the UK, the student and our economy.

As my hon. Friend the Member for Bedford (Richard Fuller) said, what better way of spreading British values and the values of democracy, the rule of law and our cultural heritage with the rest of the world than through having genuine students come here to learn and live alongside British students in this wonderful country of ours.

I have long been an admirer of the Minister, whom, I believe, has one of the most difficult briefs in government. He approaches his task with customary tact, intelligence and verve. However, I must say that the potential unfairness of the new rules, and the way they discriminate against private colleges, even after they have achieved every level of quality assessment, will make life difficult for them. In my view, private colleges that meet all the quality criteria should have equal treatment with educational establishments in the public sector, and more equal treatment with similar colleges in other western democracies.

Jeremy Corbyn: I agree with the hon. Gentleman. However, in reality, students who are attracted to cookery schools such as the one he mentioned, and to most language schools, are not in competition with publicly funded universities. They are different courses and different groups of students, although I agree with him about the treatment that such colleges receive.

Jonathan Lord: I am grateful for that intervention. As I said earlier, there are many different private colleges in my constituency—I gave one interesting example of a college of which I am particularly proud. I believe that

[Jonathan Lord]

both publicly funded colleges and universities, and private colleges, have a great deal to contribute, and genuine students should be encouraged to come to the UK to study.

I tried to delineate the difference in the way that private colleges have to perform against different and difficult rules. Even when they receive the status of highly trusted sponsor, they find that other rules have been introduced and that, because of the lack of a level playing field, it is difficult for them to attract genuine foreign students to come to this country.

I have heard representations from some good private colleges that genuinely feel that they are going to be bankrupted. A lot of colleges will be bankrupted, but it will be the good and bad together. That cannot be fair to the colleges, to potential students, or to UK plc. I urge the Minister to look carefully at that issue and ensure that our private colleges—in particular the good ones that have highly trusted sponsor status—are treated properly and allowed to continue with the excellent work that they have done over many years for those foreign students who gain so much from coming to study in this country.

4.33 pm

Nic Dakin (Scunthorpe) (Lab): It is a pleasure to serve under your chairmanship, Mr Benton. First, may I declare an interest? This time last year I was principal of a sixth-form college that educated 120 fee-paying international students. International students are a competitive business. As we have heard, it is effectively an export industry; non-EU students buy a UK education in a fiercely competitive global market. Students who come to the UK are often from influential families in their home country and region. They will return and become leaders of their cities, regions and countries. That they have been educated in the UK disposes them positively towards all things British, and can only assist in the UK's future global influence and economic prosperity.

I want to focus on the further education sector. More than 20,000 fee-paying international students study at sixth-form and further education colleges. College fee income from international students is more than £42 million a year, and there is additional income from books, food, accommodation and other things. UK plc benefits by at least £80 million a year.

Let me draw on the concerns raised by John Leggott college in my constituency where, as I said, I was principal. The college has excellent results for international students, and has won many awards for its work with them. It has worked with the British Council and others to develop strong relationships in key markets across the world. It has an excellent reputation but—here is the "but"—the British Government's treatment of visa regulations, the interpretation of those regulations by the UK Border Agency, and their implementation by particular consulates, seriously threatens the college's international business.

The head of the international centre, Maggie Williamson told me:

"Feedback from agents in China is that the UK visa system is so complicated, daunting and a real obstruction, that most students now don't even bother thinking about the UK. They just go to the United States without considering the UK, so this has made applications drop dramatically."

There is a lack of a level playing field between FE and sixth-form colleges, and those independent schools that—quite properly—are also active in the market. Like the hon. Member for Woking (Jonathan Lord), I call only for a level playing field and for fair treatment for different providers.

Independent schools automatically get highly trusted sponsor status and do not have to pay the £400 registration fee—the relevant information states that they will not have to pay the full burden of highly trusted status. Will the Minister consider whether that is fair and proper in the current market? It sends an unfortunate message to the key markets in which the different bodies are operating.

Independent schools can hold pre-sessional courses for students on the same confirmation of acceptance of study—the CAS form—that is required when students finally join the school. That is not the case for the FE and sixth-form college sector. Having said that, there are practical issues about whether the CAS system is effective, and its operation is worth further scrutiny. The secure English test does not have the same power of insistence for independent schools as it does for the FE and sixth-form college sector. Students who wish to come to the UK have to take a particular exam, such as IELTS—the International English Language Testing System—and the cost of taking it abroad is a disincentive to students who wish to enrol on courses in the UK. There is an uneven, unequal market, and I hope that the Minister will look at that.

I am grateful to the Secretary of State for Education for enabling and encouraging the UK Border Agency to meet me and representatives from my local college to discuss the issue. The UK Border Agency recognises the absurdity of the situation, but it later said in a letter that it would not change anything. I hope that the Minister can focus on the matter and bring about fair treatment for different types of institution within the market. That would be of great assistance and importance.

Prospective students are currently putting money into banks to come to the UK. They do so in good faith that those banks or financial institutions will be on the list of trusted financial institutions. That list, however, has not yet been published, and students may put money into a bank only to find out later that it is not on the list. I hope that the Minister will ensure protection for students and institutions in such an eventuality. It would be helpful if the Minister considered that practical issue.

Much of the aspiration behind the policy is correct, but I hope that the Minister will look at and respond to concerns about the way in which it is applied, so that it can apply equally and fairly across different types of institution in a way that is practical and allows business to proceed.

Britain needs to be open for business in the student export market. In my opinion, politicians and the Government should be strong enough to shout up for British business, British students and British education. We should not pander to the sometimes hysterical argument and atmosphere around the subject. If we do that, we will export British jobs, the British reputation and future British influence to the more politically savvy parts of the world.

I hope that this excellent debate, in which hon. Members from both sides of the Chamber have engaged in a sensible articulation of concern, brings about a practical

way forward that says that Britain is the best place in the world to come to for an international education, and that we will ensure a level playing field for institutions in Britain. We are open for business. Do come and help us to prosper into the future. That is what I hope will happen as a result of the debate.

4.40 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is a pleasure to speak under your chairmanship, Mr Benton. I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on securing the debate and on the comprehensive way in which he set out the wide range of issues that arise from the changes that the Government are making. Other hon. Members have also spoken about those matters, and I will not cover ground that has already been covered. I will focus on two areas of which I have intimate knowledge: my constituency, Newcastle upon Tyne Central, and my area of expertise, science and engineering.

As hon. Members undoubtedly know, Newcastle is a great university town. Newcastle university, in my constituency, was founded in the 19th century by, among others, the great industrialist Lord Armstrong. When my father was a student there in the 1950s, it was known as King's college, Durham. I do not whether, as a Commonwealth citizen, he required a student visa at the time, but if he did, I am very glad that he acquired one.

My mother was a student at Northumbria university, or Newcastle polytechnic as it was, in the constituency of my right hon. Friend the Member for Newcastle upon Tyne East (Mr Brown). Born in Newcastle, she certainly did not require a visa, although given that she was in her 50s when she finally got to go to university, a university education was in many ways a foreign country to her.

My point is that Newcastle has a long and proud history of educating a wide and diverse range of students from all kinds of backgrounds and from all over the world. It is therefore not surprising that I feel strongly about this subject. I am proud that Newcastle is a favoured destination of UK and international students. It attracts students from all over the world. Newcastle university has 3,000 international students from more than 110 countries, while Northumbria university has students studying degrees at partner institutions in Hong Kong, Malaysia, Bangladesh, Seoul and elsewhere.

Students are therefore a vital part of our economy, contributing much to our businesses, our bars and clubs and our cultural life. Why on earth would we want to put up a sign saying "Do not come and study here"? I am afraid that that is increasingly the impression that we are giving and I will cite two case studies that exemplify that.

First, student A, studying biochemistry, sent the UKBA a request for a certificate of approval in February. Despite faxing and phoning, with the support of my office, for many months, she still has not had her passport back. Her student visa expires in July, and she cannot apply for a new visa without her passport, which the UKBA still has.

The second example is a student who is studying for a doctorate in marine engineering. He is in his final year. He has applied for a visa, which has been refused as the UKBA states that he should have completed his doctorate by now. However, with his application, he submitted a letter from the university explaining that the external examiner was ill, so it would require some more months to finish. The refusal took no account of the fact that the student had been in Newcastle for six years, with legal visas, paying substantial sums to the university in addition to rent and living expenses in Newcastle.

Those are just two examples of the many cases that my office has had to deal with. They mainly involve students in the middle of degrees or doctoral work, who thus have proven study records and whom the university has decided are able to complete their courses. Often the wording of the refusal has included factors not applicable to the case, showing that a form letter was used, rather than consideration being given to the individual applications. All the students refused visas who contacted my office were studying STEM—science, technology, engineering and maths—subjects. That may be because Newcastle attracts STEM students. It may be because the UKBA particularly dislikes STEM students. If that is the case, I hope that the Minister will explain why.

The view of those in the university to whom I have spoken and who have contacted me is that the refusals have much more to do with not exceeding quotas than the lack of merit of the individual applications. Why on earth would we do this? There is a shortage of UK and EU STEM students. International STEM students enable departments to have the scale to undertake a wider range of courses and high-quality research in fields that might otherwise be closed down.

As the Campaign for Science and Engineering recently said,

> "Nearly 40% of the UK's scientific output from 2002-2007 involved international collaborations, so it is actually a positive aspect of UK higher education that students are exposed to a diverse peer group from the outset."

As my hon. Friend the Member for Sheffield Central said, the impact assessment for the proposals that we are discussing has confirmed the huge loss to the economy. It also confirms that the drive to cut overseas student numbers will reduce overall net migration by about 48,000 a year between now and the next general election. I am very afraid that we will lose many of the people whom we do not need or want to lose. We are in a globally competitive environment. Our universities and our country need to be competitive in that environment. We cannot and should not hang up a global "Closed" sign above our universities.

Mr Joe Benton (in the Chair): I remind the final two Back-Bench speakers that the winding-up speeches will start at 5 o'clock.

4.47 pm

Tony Lloyd (Manchester Central) (Lab): I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) not simply on obtaining the debate, but on the way in which he introduced it. Despite some of the speeches that have been made, this is not an attempt to make a frontal assault on the whole of the Government's immigration policy. All of us who have taken part in the debate and, I think, every Member of the House of Commons would accept that the bogus college has no place in British society. We should close such colleges

[Tony Lloyd]

down, prosecute those involved in running them and kick out those who have obtained bogus visas. That should be a statement of obvious fact.

What we are talking about here, though, is a recognition that, in the introduction of a relatively new system, haste may have been involved and there may be a need to fine-tune and adjust what already exists. I think that that is what my hon. Friend the Member for Sheffield Central concentrated on and I hope that we can get the Minister to address those issues. Rather unkindly, I will be complimentary to the Minister, as the hon. Member for Woking (Jonathan Lord) was. The Minister is a thoughtful man, and I hope that he will think about the issues that have been raised, because they are important.

Our higher and further education system is a precious national asset economically, but also culturally and in the wider realm of public diplomacy, so it does matter. It matters to all our constituencies. A city such as mine, with a huge educational infrastructure, both in higher education and in further education, depends on it for employment and for the very nature of modern Manchester. Within that context, I will concentrate on three particular aspects of the rules as they are now beginning to apply. These points have been brought to me by individual establishments. I will begin by raising, as other hon. Members have, the issue of a level playing field with respect to private institutions.

The Nazarene theological college, which obviously trains students in areas of theology, has made the point to me that the majority of its students are not visa holders—they do not need to be. It has a limited number of very high level students, mainly PhD students. However, PhD students attending private colleges such as the Nazarene college are treated differently from those who attend our public universities, in that only postgraduate students at universities and Government-sponsored students are able to bring in their dependants—their spouses and children. Often, those studying for doctorates at theological colleges are mature students. Frankly, saying that they must spend three or four years away from their families means that colleges will not be able to attract that kind of high-level student. I hope that the Minister will reconsider, because that college believed that there might be movement in that area. Perhaps that is something that warrants reconsideration.

A couple of institutions, both operating at a high level, have raised with me an issue that I have previously raised with the Minister—the post-study work route. One is the Northern Ballet school, which says that its graduates often do not get the regular paid work that they need; they need work experience if they are to pursue their careers. They will often take on freelance or part-time work, but at the moment that would take them outside the provisions of the post-study work route. Similarly, SSR college, which trains people to degree level, works in conjunction with universities on sound recording, a vital part of modern education. It, too, says that its students, after graduation, often have to look for part-time work, but again that would prevent them from taking the post-study work route.

The next point that I wish to raise in the brief time available has already been put to the Minister—the capacity to revise the impact of the new regime this year. INTO Manchester, which provides a route into higher education, and Manchester Metropolitan university have both raised similar issues with me about existing offers of places. The Minister said that unconditional offers would be honoured but there is the question of conditional offers.

More narrowly, questions have been asked about those people coming on to foundation courses where the language qualification is lower. Students often come to the university over the summer months to begin a part of their language course before going on to the foundation course. The summer is nearly with us, and the problem for these institutions is that they are having to correspond with students at a very late stage to say that they must now get the B1 English qualification, which they are finding too difficult.

My appeal to the Minister is whether, even at this late stage, we can modify the impact of the rules, make them a little more flexible, and recognise that in the longer run we do not want to damage this vital part of our economy and culture; I am sure that the Minister, too, does not want that. We need to refine that process in a way that suits everybody and makes no serious assault on the Government's immigration policies.

4.53 pm

Jeremy Corbyn (Islington North) (Lab): I shall be brief so that the Minister has sufficient time to reply to the debate. I apologise to the House for missing part of the debate. It was the Government's fault. I was forced to go to the Ministry of Justice to hand in a petition about legal aid; if the Government had not cut legal aid, I would have been here for the entire debate. The Minister may care to mention that to his colleagues.

I welcome the debate. I also welcome the introduction by my hon. Friend the Member for Sheffield Central (Paul Blomfield), and the spirit in which the debate has been conducted. All of us represent private sector institutions, which have now fulfilled the requirements put upon them by the previous Government, and that is welcome, or publicly funded universities—in my case, London Metropolitan university. I agree with my hon. Friend the Member for Manchester Central (Tony Lloyd) that none of us is in favour of bogus colleges.

I was often deeply concerned about the way in which overseas students would come to this country and be hoodwinked into going to crummy colleges that did nothing for them, but which certainly exploited them. That did this country more damage than anything else, because those students felt that they had been brought here under false pretences—as indeed they had. They did not succeed in learning much and were often relieved of a great deal of money, only to be disappointed with the performance of the educational institutions. I do not have a problem with the fact that we have a tough regime for the private sector and language schools; we should be clear that they are genuinely offering an education for overseas students. However, what is proposed seems to be a knee-jerk reaction to what is being said about immigration, and it conflates immigration issues with issues about people's right and need to study. It is damaging the reputation of this country and it is damaging the aspirations of students from other countries.

At some point, most MPs have been on delegations abroad on behalf of Parliament or other organisations. Everywhere we go, we come across people saying, "I studied in Newcastle"—or in Manchester, Birmingham or London—and that they benefited from it and enjoyed

it. They are well disposed towards many things about our country—literature, science, engineering, transport systems or whatever it happens to be—and good will is built up as a result. We cannot calculate that good will, but we all know that it exists.

Now, when I go to other countries and talk to younger people about the possibility of studying in Britain, they say, "It's expensive"—it is expensive—"it's difficult to get a visa, and the immigration service and the entry system to this country have a very bad reputation." People do not enjoy the experience, as non-EU nationals, of trying to come through Heathrow, Gatwick, or anywhere else, particularly if they come from Bangladesh, Africa or Latin American countries. They do not like the way in which they are interviewed, or the intrusive questioning that goes with it. A balance has to be drawn, and I am not convinced that we have it correct. I know that this is not related to education, but many tourists that visit Europe leave out Britain. They do not wish to go through the visa business of coming here, so they restrict their tour to France, Germany and the Netherlands.

I represent a constituency that includes London Metropolitan university. It has a huge diversity of students and a great diversity of courses, which I hope it will be able to maintain, but that is for another day. It needs overseas students. The student body needs overseas students. The university has built commendably close relationships with higher education institutions in Russia and Ukraine, as well as in other parts of the world, and it has many overseas students. The overseas students benefit from the quality of the education that they receive and from the experience of being in London, but our students at London Met—mainly local adult students—benefit enormously from their interaction with students from entirely different backgrounds. It is not a one-way street; it is very much a two-way street that is of enormous benefit to our students and to our economy.

I hope that in his response to the debate the Minister will recognise the economic value, the social value and the educational value of overseas students, and not stick with the arbitrary date of 21 April for the application of any new requirements. I hope, too, that he will recognise that there is a huge body of united opinion among private sector institutions as well as the publicly funded universities, and among Members across the House, that this country should be a centre for higher education. We all want our universities to benefit from overseas students. Our country has benefited greatly from them—in research, as my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) pointed out, and also in their good will towards this country when they return home. That is something that we can change quickly and I hope that we will.

4.59 pm

Mr Gerry Sutcliffe (Bradford South) (Lab): It is a great pleasure to serve under your chairmanship, Mr Benton. I congratulate my hon. Friend the Member for Sheffield Central (Paul Blomfield) on securing the debate. It is a subject that is important to us all, and contributions to the debate from all sides reflected the need to consider the matter seriously. We heard from Back Benchers, members and Chairs of Select Committees, and a former Home Secretary, which shows the importance of the issues that we face.

It is my job to reflect on the issues that have been raised in this debate. There have been a number of recurring themes to which the Minister will want to respond. If he is not able to do so today, I am sure that he will write to hon. Members with detailed answers. Some of the concerns may fall under the responsibility of other Departments.

I was struck by the contributions from the hon. Members for Peterborough (Mr Jackson) and for Bedford (Richard Fuller) because they reminded the Minister of his obligation to deliver the Conservative manifesto commitment to reduce net immigration from hundreds of thousands to tens of thousands. That commitment may have been watered down slightly in the coalition agreement, but it is, none the less, a millstone around the Government's neck because it is so difficult to achieve. I understand the debates and discussions around immigration, but I reflect also on the words of my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett). He said that when he was Home Secretary, there were issues that needed to be faced, but the goalposts kept moving. As he said, we tried to do all sorts of things to try to improve the situation.

The recurring themes in this debate on student visas have come from both sides of the House. I hope that we can get away from the partisan approach to immigration and the feeling that anything the previous Government did was completely bad and that the present Government will deliver their target. If we continue in that vein, we will not achieve our joint aim of balanced migration. We all want to ensure that we have in our country the people whom we want, require and need. We must reflect on the fact that the previous Government introduced the UK Border Agency and a whole series of initiatives to try to deal with migration.

I was struck by a point made by my right hon. Friend the Member for Leicester East (Keith Vaz), the Chair of the Home Affairs Committee. He said that part of the problem with migration and immigration issues is the counting in and the counting out of people; it is hard to understand what the facts and figures really are. We have accepted that the previous Government failed to deliver in that regard and we look to support the present Government in their attempts to try to reach a solution to that difficult problem.

Let us put to one side the issue of net migration and how we achieve that and reflect on the issues that we have here today. Student visas and the whole issue around students became a problem when the Home Secretary made a statement on 21 March, saying that we were going to reduce the number of students by 400,000 by 2015. The reality is that that will not be achieved. We have already heard that that figure will be reduced by 50%. That is part of the reason for this millstone around the Government's neck.

We then move on to the issue, which my hon. Friend the Member for Sheffield Central put so passionately, of the impact that we are having on our higher education sector. The message has gone out to the wider world that Britain is not open for business. We heard about the concerns that the Business, Innovation and Skills Committee had to deal with on its visit to China and the 40% reduction in applications to the UK from India. On a recent all-party visit to Azerbaijan, I was told that the Azerbaijanis wanted to work and be

[Mr Gerry Sutcliffe]

involved with the UK, but thought that there problems in relation to how we saw the situation in further and higher education.

I hope that the Minister will reflect on the points that have been raised today about the transitional arrangements, the time that the institutions will need to put in place the scheme and the problems relating to the offers that have been made to individual students. He should reflect, too, on the cost to the country. The hon. Member for Peterborough said that there was no empirical evidence on the financial impact of such a change, and yet the Home Office's own impact assessment says that the cost to the country will be £2.6 billion or even £3.6 billion.

Foreign students benefit our university and college system in the UK. Hon. Members have talked about how they develop people intellectually, socially and culturally. We are also seeing a higher number of UK students going to universities in America. Our competitors, such as the US and Australia, are taking advantage of our current situation.

In conclusion, the problem of student visas needs to be addressed. We do not view it in a partisan way. We do not want to attack the Government's immigration policy. We recognise that there must be managed migration and we want to work with the Government in a consensual way to achieve those things. The student visa issue is impacting in a negative way on the private sector and on public colleges and universities and we need to do something about that pretty speedily. If we do not, we throw away something that is a boost to our economy. I am talking about the benefits that foreign students bring to our universities and to our many cities and towns.

I hope that the Minister will reflect on this excellent debate, recognise that there are serious problems that need to be faced and come up with some solutions in the short term that will prevent any further damage to this sector. We need to have more debates on migration and immigration to decide what we can do collectively to resolve the issues.

I have some sympathy with what the Chair of the Home Affairs Committee said. He asked whether we should go down the route that the US has determined. I hope that the Minister will reflect on an important debate that has had no partisan input, and I look forward to hearing what he has to say.

5.7 pm

The Minister for Immigration (Damian Green): I echo the remarks of the hon. Member for Bradford South (Mr Sutcliffe) about the thoughtful and passionate nature of the debate. The hon. Member for Sheffield Central (Paul Blomfield) introduced this important debate in a thoughtful way.

I will follow the good examples of my hon. Friends the Members for Peterborough (Mr Jackson) and for Bedford (Richard Fuller) and the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), the former Home Secretary, in saying that there are clearly macro and micro aspects to this and it is important that we conduct the debate about student visas and tier 4 within the overall context of the Government's immigration policy.

I should say at the outset that Britain is quite rightly internationally renowned for its top-quality education institutions. Many hon. Members have rightly made that point. The students who choose to study here from across the globe bring numerous cultural, social and economic benefits to the UK and to their own countries when they return. We all acknowledge that and it is certainly acknowledged across Government.

We must recognise that the student visa system had become a broken instrument. It has failed to control immigration and, in many cases, to protect legitimate students—a point that the hon. Member for Islington North (Jeremy Corbyn) made. He said that severe damage has been caused. He said that people come here honestly hoping to study and then find that they have been scammed. Bogus colleges are scamming not just the British immigration system but the students who come here.

Student immigration has more than trebled in the past 10 years and is now far larger than the other two main routes of immigration—the work route and the family route. Too many of the people who come here calling themselves students have a primary motivation of working here, and not of receiving a high-quality education. Too many institutions are providing a service that is not about education but immigration. Addressing that issue is at the heart of what we are seeking to do. Many Members from all parties have agreed that it is worth driving out that abuse.

There are endless examples of institutions and "students" working the system to get round language requirements and rights to work, and to bring in dependants. That is not just a small problem; too many colleges provide minimal or no tuition or classroom study. We have students barely able to hold a conversation in English turning up to "study" degree-level courses.

Last year, both Governments—the Labour Government and the coalition Government—were in power. So I hope that I will respond to the point made by the hon. Member for Bradford South about being non-partisan by saying that in 2010 tier 4 visas represented 14% of visas that were issued, but tier 4 visa-holders were responsible for 41% of refusals at ports, in other words actually being turned down by immigration officers. The equivalent figures for tiers 1, 2 and 5 visa-holders were all less than 1%.

We want genuine students coming to Britain to attend courses of high educational value at legitimate and responsible institutions. We need to maintain our international reputation for providing top-quality education, and we want the very best students to stay on in the UK to complete their studies. That is exactly what our proposals are designed to deliver and that is why the Home Secretary announced a comprehensive programme of reform on 22 March. I want to set out what those changes mean in practice and how they will contribute to meeting our wider objective of reducing net migration to the tens of thousands. I also want to address the many specific points made by individual Members during the debate. I will try to deal with them all in the next few minutes.

Many contributors to the debate have talked about flexibility, including the hon. Member for Sheffield Central. Indeed, to minimise disruption to education providers and students, we are implementing the changes in three stages. The rules for the first stage came into effect on 21 April. Last Monday—13 June—we laid the

second set of changes to the rules before Parliament. They will come into effect on 4 July. We will complete our changes by the end of 2012.

We continue to have extensive dialogue with the sector about the changes that we are making. I can assure right hon. and hon. Members who are concerned about that that there are numerous and constant contacts at official level and, where necessary, between myself and Universities UK and selected vice-chancellors about these changes, because we want to introduce them in the most practical way possible.

I want to respond to a specific point that was made about the timing of the changes. The hon. Member for Edinburgh North and Leith (Mark Lazarowicz) read out the letter from the vice-chancellor of a university in his constituency asking if all the changes could be delayed for a year. I should say that when we began to have discussions on them last autumn, we were urged by the universities themselves to get on with them, because we all know that the longer there is any uncertainty in a system, the more people are wary of that system. Various Members have said that the uncertainty that exists is deterring people from making applications and so on. If we allow the uncertainty to continue for another year, I suspect that the results would be worse. So that was the wise advice that I received from the universities last autumn.

I must repeat the basic point that there are so many abuses of the system that we need radical reform. Many colleges seem happy to accept students who do not even meet their own admissions criteria and who speak very little English. In one college, we found that there were two lecturers for 940 students. In another, we found that students were attending classes for just one day a month and working excessive hours for the rest of the time. UK Border Agency enforcement teams recently picked up students who were supposed to be studying at a college in London, but were actually living and working in west Wales; indeed, every student whom we found from that college was doing that.

We are targeting the least compliant students and institutions, and of course that is what we should do. For too long, institutions in parts of the privately funded education sector have been essentially unregulated, yet all the evidence suggests that those institutions pose the biggest risk to immigration control. In a sample of tier 4 students studying at private institutions about which the UKBA had concerns, up to 26% could not be accounted for.

The UKBA has revoked the sponsorship licences of 64 colleges. I hope that that meets the reasonable request of the right hon. Member for Leicester East (Keith Vaz), who is Chairman of the Home Affairs Committee, that the inspection regime should be robust. He said that the UKBA used to phone up institutions in advance to say that its inspectors were coming. As is evident from the number of licences that have been revoked, the enforcement regime is getting better.

I want to turn to the current points-based system. Again in the spirit of non-partisanship, I must say that this Government did not arrive and tear up that system. We said that we could build on it and we accepted the point of having objective ways of measuring who comes to the UK, and that is what we are seeking to do. Under that objective system, a sponsor assesses the intentions and ability of the student; UKBA staff no longer have the power to refuse a migrant entry to the UK on those grounds. We therefore need to make absolutely sure that sponsors are exercising their powers responsibly, and that is one of the things that these reforms are designed to achieve.

Mr Stewart Jackson: Will my hon. Friend give way?

Damian Green: I will give way once; I suspect that I will not get through my speech if I give way to all the Members who wish to intervene.

Mr Jackson: I am very grateful to my hon. Friend for giving way. On the points-based system, given that the overall purpose of immigration policy is to reduce net migration, can he confirm that after the introduction of the points-based system in 2007, arrivals of students, dependants and student visitors increased from 370,000 in 2007 to 489,000 by 2009?

Damian Green: Absolutely. Indeed, the numbers were still rising right up until last year. We now have the figures up to the summer of last year and the numbers were still rising at that point. As I was saying, we are building on the points-based system, but we are precisely introducing limits and precisely driving out abuse in the student system. That is why we will move on to other systems, so that we can get the numbers down. The points-based system is not enough on its own, but it is a platform on which we can build.

The Home Secretary announced new reforms that mean that all sponsors must now be vetted by one of the approved inspectorates and all of them must attain the status of highly trusted sponsors. In line with that commitment, we announced earlier this week that the Quality Assurance Agency for Higher Education and the Independent Schools Inspectorate would extend their activities to cover privately funded providers. Sponsors must meet our immigration requirements and high standards of educational provision. Institutions that do not meet those requirements are now subject to a limit on the number of students that they can bring in. To stay on the sponsor register in the longer term, they must achieve highly trusted sponsor status no later than April 2012 and gain accreditation by the relevant agency by the end of 2012. The imposition of a limit responds to the urgent need to tackle abuse, allows sponsors time to adjust to the new system and prevents surges in applications from high-risk sectors. We are well on track to delivering a sponsorship system that the public can trust.

We are also raising the bar on entry requirements. All students coming to study degree-level courses must now be able to speak English at an upper intermediate level and others will have to speak English at an intermediate level. If students cannot answer basic questions in English about their course, UKBA officers will refuse them entry at the border. That was another point legitimately made by the Chairman of the Home Affairs Committee. We are now bringing back the power for immigration officers at the border to recognise that someone is obviously, indeed blatantly, incapable of fulfilling the requirements of their visa.

In recognition of our trust in universities, we are flexible about the methods that they use to assess a student's level of English. That brings me on to a

[Damian Green]

specific point that was made by the hon. Member for Sheffield Central. Let me start by discussing what is, if you like, the biggest transitional issue. That is the English language requirement, which he raised in his introductory speech.

The appropriate level of English for those coming to study at level 6 and above is an upper intermediate level across each of the four disciplines: reading; writing; speaking; and listening. That is level B2 on the common European framework of language. A lower level—B1—is the appropriate level for lower courses, including the pathways courses that many Members have mentioned. Those are courses taken by people coming in who do not have the appropriate level of English but who want to take an English language course in the UK on their way to taking a full university course here. So we have set a lower level of English as a requirement for those students.

In order to get a visa, those outside universities will have to present a test certificate from an independent test provider proving that they have attained the required level. As another flexibility that we have introduced, universities will be able to vouch for a student's ability if they are coming to study at degree level or above. Indeed, there might be the odd student who cannot meet the requirements for all four disciplines but is so exceptional that we will allow individual requests by university academic registrars.

A number of Members have talked about English language schools. People who want to come to the UK to study lower-level English can do so for up to 11 months through the student visitor route. We introduced that concession after discussions with the English language colleges last autumn, and the colleges have welcomed it.

On the confirmations of acceptance for studies and the visas, the requirements for an offer of a place at a university are separate from the requirements under the immigration rules. Universities could, and should, have assigned a confirmation of acceptance for studies to people who held unconditional offers before 21 April. Someone with a conditional offer has, of course, not yet satisfied the university's own academic entry requirements. The immigration system and its requirements have always been separate from the academic entry requirements, and it is important not to confuse the two. For instance, any Government would refuse a student entry if their background indicated that a potential harm would be posed to the UK, even if a university had given an unconditional offer of a place.

It was mentioned that there are difficulties relating to the English language tests. The UKBA ran a procurement exercise and expanded the list of English test providers to ensure that there was significant capacity, and we are in regular contact with each of the approved test providers, which have demonstrated flexibility in expanding test centre capacity where there is demand. If there are blockages, we are trying hard to remove them.

There has been much inevitable discussion about the impact assessment, and various figures have been cited. I wish to put on the record that the net cost is said to be £2.4 billion. The £3.6 billion is the gross cost, but there will also be £1.1 billion of benefits. The truth about the impact assessment process is that it is in its infancy and is not yet satisfactory. I have spoken to the economists who do the assessments and they agree that the process needs to improve. I do not want to go into the economic theology of what works and what does not work because it is late on a Thursday afternoon, but I shall give one very practical example. The way in which the assessments are carried out requires us to assume that there is a zero displacement effect of students taking jobs on the local labour market. In other words, if a foreign student is doing a job and then leaves, 100% of that economic activity is assumed to be lost. In practical terms, however, it is likely that that person will be replaced by a British student or someone else. Clearly, therefore, the assessments are not satisfactory, and we have asked the Migration Advisory Committee, which is independent of Government, to look at the process over the summer.

The definition of immigration is beginning to vex us, and I am half-tempted to spend a long time discussing whether students should somehow be removed from the definition altogether. There is clearly an academic argument to be had, but I will just make the underlying point that although it would be fantastically convenient for the Minister for Immigration suddenly to discover that hundreds of thousands of people who were regarded as immigrants yesterday would not be regarded as immigrants tomorrow—I would hit my targets with no effort at all—that is not realistic, and I do not think that the public would accept it. In terms of confidence, the point is very well made that immigration statistics are imperfect, particularly regarding counting people in and out, and that is why we have re-let the e-Borders contract. Over the next few years we will develop a much greater ability to count people out as well as in, but it seems sensible to stick to the internationally agreed measurements we have always had, which are used by other countries, rather than apparently try to redefine our way out of what is a serious and difficult political issue.

The other big subject that many Members have mentioned is post-study work, and I am afraid that I will have to agree to differ with the hon. Member for Sheffield Central. The students' primary motivation should be to study, not to work. The ability to work after finishing a course or, as my hon. Friend the Member for Woking (Jonathan Lord) said, while doing a course, should not be a significant part of the motivation of someone coming here on a student visa. If people want to come here to work, there are work routes, and I do not want them to deceive either us or themselves by saying, "I'm here as a student but what really matters to me—the motivating force—is that I can either work during the course or stay for a couple of years afterwards." It is simply not the case that everyone who does that gets a graduate-level job. In one cohort that we looked at, of those who were hanging around for the allowed two years after finishing their degrees, about 20% were unemployed, and 50% of those who were employed were in unskilled jobs and not making use of their studies.

Tony Lloyd: Does the Minister not recognise that there are some people who would benefit as part of the total package of education plus skills training but who might not qualify under the current post-study work route structure?

Damian Green: No. The problem is that the post-study work route has been abused as much as it has been legitimately used. We are not closing down that route

altogether; we are specifically saying, "If you can get a graduate-level job, you can stay." That seems very reasonable—[HON. MEMBERS: "It is about the salary"]. I thank Members for that. Let me talk about the £20,000 salary that the hon. Member for Sheffield Central suggested was somehow wrong. I have to say, in the gentle spirit of non-partisanship in which I am making this speech, that the £20,000 minimum salary threshold for tier 2 was set by the previous Government, following a recommendation by the Migration Advisory Committee in August 2009. At that time, the tier 2 skill threshold was jobs at national vocational qualification level 3, and this Government have now raised that threshold to jobs at NVQ level 4, at which level the case for a salary threshold of at least £20,000 becomes even more compelling.

Paul Blomfield: What the previous Government surely had in mind when they set that threshold was not post-study work but the conventional application for tier 2.

Damian Green: It was set as a graduate-level salary, and it still is. We have kept that threshold. We have not inflation-linked it, and we have increased the skill level, so, if anything, there is a stronger case for it now.

I have a fascinating answer about accountancy qualifications for the right hon. Member for Sheffield, Brightside and Hillsborough, but given that there are only three minutes to go I hope that he can hold his interest on that topic and bear to have my reply in writing.

In response to a point made by the hon. Member for Edinburgh North and Leith, it is true that initially universities were automatically granted highly trusted sponsor status, but they were all required to apply for the status by the end of June 2010. All applications were considered against the published criteria. I was puzzled that someone said they were confused about the criteria, because they were published. Universities retained highly trusted sponsor status after June 2010 only if they had met all the criteria.

The hon. Member for Scunthorpe (Nic Dakin) made a point about independent schools. Independent schools have been afforded greater flexibility simply because of their extremely low levels of non-compliance. They have earned that privilege because they are practically 100% compliant. The requirement for a secure English language test applies to all users of tier 4 general. Independent schools largely use the tier 4 child route, for which there is no English language requirement. That route is also available to sixth-form colleges that recruit 16 and 17 year olds.

There was a question about the list of financial institutions, and I can say that that list will be available on the UKBA website shortly. The hon. Member for Newcastle upon Tyne Central (Chi Onwurah) asked about quotas, and I am happy to assure her that there are no quotas for UKBA officials to grant or refuse applications.

Once all the rules have been implemented, I expect the reforms to reduce the number of student visas by about 70,000 a year, and I estimate that at the end of this Parliament there will be about 260,000 fewer student visas and about 100,000 fewer dependants' visas. Members have raised many practical issues that I have not had time to address, but I will take them away and think about them hard, particularly the individual cases mentioned by the hon. Member for Manchester Central (Tony Lloyd).

I am of course aware of the importance of international students for British educational institutions and for the UK economy, but I believe that the measures strike the necessary balance.

5.30 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).